REVIEW OF THE PRESIDENT'S DECISION TO RENEW MOST-FAVORED-NATION STATUS FOR ROMANIA, HUNGARY, AND CHINA

HEARING

BEFORE THE

SUBCOMMITTEE ON INTERNATIONAL TRADE

OF THE

COMMITTEE ON FINANCE

UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

SECOND SESSION

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REVIEW OF THE PRESIDENT'S DECISION TO RENEW MOST-FAVORED-NATION STATUS FOR ROMANIA, HUNGARY, AND CHINA

TUESDAY, AUGUST 10, 1982

U.S. SENATE,
SUBCOMMITTEE ON INTERNATIONAL TRADE,
COMMITTEE ON FINANCE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:32 a.m., in room 2221, Dirksen Senate Office Building, Hon. John C. Danforth (chairman) presiding.

Present: Senators Danforth, Dole, Grassley, Symms, Long, Moynihan, and Bradley.

Also present: Senator Jackson.

[The press release announcing the hearings, background material on the subject of the hearings, and the prepared statements of Senators Danforth and Dole follow:]

Press Release No. 82 -153

PRESS RELEASE

FOR IMMEDIATE RELEASE
July 26, 1982

UNITED STATES SENATE
COMMITTEE ON FINANCE
Subcommittee on International Trade
2227 Dirksen Senate Office Building

FINANCE SUBCOMMITTEE ON INTERNATIONAL TRADE TO HOLD HEARING ON CONTINUING THE PRESIDENT'S AUTHORITY TO WAIVE THE TRADE ACT FREEDOM OF EMIGRATION PROVISIONS

The Honorable John C. Danforth (R., Mo.), Chairman of the Subcommittee on International Trade of the Committee on Finance, today announced that the Subcommittee will hold a public hearing on continuing the President's authority to waive the application of subsections (a) and (b) of section 402, the freedom of emigration provision, of the Trade Act of 1974 (Public Law 93-618).

The hearing will be held at 9:30 a.m., Tuesday, August 10, 1982, in Room 2221 of the Dirksen Senate Office Building.

Chairman Danforth noted that on June 2, 1982, the President transmitted to the Congress his recommendation under section 402(d) (5) of the Trade Act, that the waiver authority be extended 12 months to July 3, 1983. This recommendation was based on his determination under section 402(d) (5) of the Trade Act that the extension of the waiver authority will substantially promote the objectives of freedom of emigration in general and, in particular, in the cases of the Socialist Republic of Romania, the Hungarian People's Republic and the People's Republic of China.

The Socialist Republic of Romania, the Hungarian People's Republic and the People's Republic of China are the only nonmarket economy countries which have been granted nondiscriminatory (most-favored-nation (MFN)) trade treatment under the authority of the Trade Act of 1974, Chairman Danforth said.

The Chairman said that the President's recommendation on June 2, 1982, set in motion a schedule of procedures by which the Congress may either terminate, by adoption of a simple resolution in either House, or permit by inaction the extension of the authority by which the President may waive the freedom of emigration condition of MFN treatment. The waiver authority may be terminated generally or with respect to particular countries. Congressional action to terminate the waiver authority, if any, must occur on or before September 1, 1982, he said. After that date, if Congress has taken no action, the waiver authority is automatically extended until July 3, 1983.

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MICHAEL STERN, MINORITY STAFF DIRECTOR

United States Senate
COMMITTEE ON FINANCE
WASHINGTON, D.C. 20510

July 30, 1982

MEMORANDUM

TO: FINANCE COMMITTEE

FROM: FINANCE COMMITTEE TRADE STAFF

SUBJECT: AUGUST 10, 1982 HEARING ON EXTENSION OF THE PRESIDENT'S AUTHORITY TO WAIVE SECTION 402 (FREEDOM OF EMIGRATION REQUIREMENTS) OF THE TRADE ACT OF 1974

SUMMARY

On June 2, 1982, the President exercised his authority to extend for 12 months the existing waiver of the freedom of emigration requirements of the Trade Act of 1974. Section 402 of the Trade Act prohibits the granting by the United States of most-favored-nation (MFN) trade treatment to any nonmarket economy (Communist) country under Section 404 of the Trade Act if that country does not permit its citizens to emigrate. The provision of U.S. Government credits or investment guarantees to, as well as the conclusion of a commercial agreement with, any such country also is prohibited on the same basis. Section 402 permits the President to waive the prohibitions for limited periods of time if he determines that doing so will promote freedom of emigration. At issue is whether the general waiver authority should be continued; and whether the exercise of that authority with respect to the Socialist Republic of Romania, the Hungarian People's Republic, and the People's Republic of China (PRC) should be continued, thus permitting the MFN treatment accorded those countries under the Trade Act to continue. Romania, Hungary, and the PRC are the only Communist countries to have been designated for such treatment under the Trade Act.

The President's recommendation of June 2, 1982, set in motion a schedule of procedures by which the Congress may either terminate, by adoption of a simple resolution of either House, or permit by inaction the extension of the authority by which the President may waive the requirement of freedom of emigration for any nonmarket economy country. The waiver authority may be terminated generally or with respect to particular countries, e.g., Romania, Hungary, and the PRC. The deadline for Congressional action is September 1, 1982. If Congress takes no action, the waiver authority, and its specific exercise with respect to Romania, Hungary, and the PRC, is automatically extended through July 2, 1983.

As in past years, serious complaints regarding emigration have been raised only with respect to Romania. On July 16, 1982, Senator Helms and Senator Symms introduced S. Res. 428 which would prohibit the extension of the waiver authority with respect to Romania. S. Res. 428 has been referred to the Committee on Finance. Under the provisions of sections 402, 152, and 153 of the Trade Act of 1974, if the Committee on Finance has not reported S. Res. 428 at the end of 30 days after its introduction, it is in order to move to discharge the Committee from further consideration of the Resolution. If the Senate proceeds to consideration of the Resolution, debate is limited to 20 hours. A discussion of the situation in Romania is presented below.

U.S. bilateral trade with Romania, Hungary, and The PRC has grown markedly in recent years. The United States has entered into trade agreements with these countries under Title IV of the Trade Act. The agreement with Romania was first effective in 1975. The agreement with Hungary became effective on July 7, 1978. Both of these agreements have been renewed by the Reagan Administration. The agreement with the PRC became effective for a 3-year period on February 1, 1980. Under each of these agreements, MFN treatment is accorded. Disapproval by Congress of extension of the general waiver authority would terminate this MFN treatment for that country. Further information on U.S. trade with Romania, Hungary, and the PRC is presented below.

FREEDOM OF EMIGRATION IN THE TRADE ACT

Subsections 402(a) and (b) of the Trade Act of 1974 prohibit the granting of MFN treatment, the extension of U.S. Government credits or investment guarantees, and the conclusion of a commercial agreement with any nonmarket economy country not receiving MFN treatment on the date of enactment of the Trade Act, if such country:

(1) denies its citizens the right or opportunity to emigrate;

(2) imposes more than a nominal tax on emigration; or

(3) imposes more than a nominal charge on any citizen who wants to emigrate to the country of his choice.

Subsection 402(d) permits the President to waive the prohibitions in subsections (a) and (b) under certain conditions. The President exercised this waiver authority with respect to Romania in 1975. The waiver was extended under subsections 402(d) (4) and 402(d) (5) by Congressional inaction for the 12-month periods beginning July 3 of 1976, 1977, 1978, 1979, 1980, and 1981. The President exercised the waiver authority with respect to Hungary on April 7, 1978, and this waiver was extended under subsection 402(d)(5) for the 12-month periods beginning

July 3, 1978, 1979, 1980, and 1981. The President exercised the waiver authority with respect to the PRC on October 23, 1979, and this waiver was extended under section 402(d)(5) for the 12-month period beginning July 3, 1980 and 1981. The President's message of June 2 extends the general waiver authority and the extension of the specific waivers under the procedures in subsection 402(d)(5) for another 12 months. Subsection 402(d)(5) authorizes the President to extend the existing waiver of subsections 402(a) and (b) for an additional 12 months until July 3, 1983, if (1) he determines that further extension will substantially promote the objective of freedom of emigration; and (2) he recommends the 12-month extension to Congress.

Congress may disapprove extension of the waiver authority generally or with respect to Romania, Hungary, or the PRC during the period from July 3 through September 1, 1982, by either the Senate or the House adopting a simple resolution of disapproval under the procedures of section 153 of the Trade Act of 1974. Disapproval resolutions have been introduced in both Houses. Adoption of such a resolution would terminate MFN treatment for Romania, Hungary, or the PRC, or all of them, depending on the terms of the resolution. If neither House acts before September 2, 1982, the waiver authority under Section 402(c) is automatically extended through July 2, 1983.

ROMANIA

Romanian Emigration

The number of people who have emigrated from Romania to the United States during the first 5 months of this year indicates that emigration is continuing at 1981 levels.

According to U.S. Department of State statistics, 1,094 visas were issued by the United States to Romanian emigrants during the January to May time period of both 1981 and 1982. If this trend continues it indicates a stabilization after a drop in emigration from Romania in 1981. That year, emigration to the United States dropped by 534 persons - or 19 percent - from 1980 figures.

Compared with 1980 figures, emigration to Israel dropped 5 percent or by 49 people during 1981. A comparison of figures for the first 5 months of 1981 and 1982 indicates a slight increase in emigration to Israel. From January to May 1981, some 278 people left Romania for Israel, compared with 296 in 1982. Romanian approvals have been averaging 120 persons per month this year, compared with 90 per month in 1980.

Month by month statistics were not available for emigration from Romania to the Federal Republic of Germany. However, after peaking at 12,946 persons in 1980, the number of visas issued by Germany to Romanians dropped 34 percent to 8,619 in 1981.

Although the number of emigrants is running about the same as last year, Romania has been under more pressure this year. When President Reagan issued his recommendation for renewal, he expressed concern for repressive emigration procedures, the backlog of cases, and the significant decrease in Romanian Jewish emigration to Israel. Before MFN was granted to Romania, annual emigration to Israel ranged from 2,000 to 4,000. Since 1975, it has dropped and now hovers around the 1,000 person mark.

In mid-July, Senator Jesse Helms announced his intention to introduce a resolution of disapproval regarding the extension of MFN trade status to Romania. The basic complaint of the Congress is that Romanian emigration performance continues to be hinged upon pressure from Congress. Senators Helms and Symms introduced S. Res. 428, a resolution of disapproval on July 16, 1982.

Although not an emigration issue, sentiment against Romania has been fueled by publicity given the persecution of Christians for such crimes as Bible smuggling. Also, there has been continued concern about the erosion of educational and cultural facilities for minority Hungarians living in Romania.

United States Trade with Romania

The United States entered into a 3-year trade agreement with Romania effective August 3, 1975. It was extended in 1978 and again in 1981. The Trade Act states that that President must determine before renewing the U.S.-Romanian trade agreement that a "satisfactory balance of concessions in trade and services have been maintained during the life of such agreement and...that actual or foreseeable reductions in United States tariffs and nontariff barriers to trade resulting from multilateral negotiations are satisfactorily reciprocated" by Romania.

Trade between the United States and Romania has more than doubled in recent years. Total trade between the countries was only $8 million in 1965. By 1977, trade turnover was estimated at $492.7 million. It had more than doubled by 1981, reaching $1.06 billion.

However, the trading picture with Romania has changed during the past 2 years. In 1981, the United States experienced its first deficit in trade with Romania since 1978. U.S. exports declined from $722 million in 1980 to $504 million last year, while U.S. imports increased from $311 million to $561 million. These figures reflect the severe import-curtailing measures taken by Romania in response to its hard-currency debt problem.

Romania is now enforcing stringent trade and monetary policies aimed at balancing foreign trade. Current Romanian foreign trade law requires that Romanian imports be balanced with exports. The country now seeks 100 percent countertrade in sales contracts for most industrial products.

In mid-1981, many Western banks cut off short-term lending to Romania. Among the reasons for this were the growing arrearages in amounts due to the banks; widespread delays in payments to suppliers; heightened fears about lending to East European governments because of Poland's call for a debt rescheduling; and suspicions resulting from Romanina's refusal to be open with the bankers about hard-currency holdings and flows.

The evaporation of credit which followed aggravated Romania's payment problems. Despite a sharp curtailment in the use of credits for imports which the Romanian government enforced beginning January 1981, Romania became increasingly unable to meet its hard-currenty obligations in a timely fashion. As a result, an IMF standby arrangement was suspended in late 1981. In Februay 1982, the Romanian government began discussing a debt rescheduling with Western banks.

Questions about Romania's ability to pay became a significant deterrent to trade expansion during the past year. United States exports dropped $100.3 million and imports dropped $16.8 million between January and March 1982 and the same time period in 1981. The decline in U.S. exports from 1980 to 1981 affected both manufactured goods and agricultural commodities. The largest decreases were in the manufacturers and machinery catagories. The increase in U.S. imports from Romania were primarily in mineral fuels and machine catagories.

ANNUAL ROMANIAN EMIGRATION

1971 - 1982

(Visas issued by respective embassies)

YEAR	U.S.A.	ISRAEL	F.R.G.	TOTAL
1971	362	1,900*	N.A.	2,262
1972	348	3,000*	N.A.	3,348
1973	469	4,000*	N.A.	4,469
1974	407	3,700*	N.A.	4,107
1975	890	2,000*	4,085	6,975
1976	1,021	1,989	2,720	5,720
1977	1,240	1,334	9,237	11,811
1978	1,666	1,140	9,827	12,633
1979	1,552	976	7,957	10,485
1980	2,886	1,061	12,946	16,893
1981	2,352	1,012	8,619	11,983
1982 (Jan-May)	1,094	296	3,617	5,007

Source: U.S. Department of State
* approximate figures
N.A. Not available

ROMANIAN EMIGRATION TO U.S.

MONTHLY TOTALS

(Visas issued by U.S. embassy)

MONTH	1979	1980	1981	1982
JANUARY	77	166	240	239
February	106	213	252	164
March	102	232	183	223
April	67	235	207	241
May	103	231	212	227
June	57	242	188	
July	109	273	189	
August	124	236	139	
September	205	276	200	
October	241	308	164	
November	168	251	173	
December	193	223	205	
Total	1,552	2886	2,352	1.094

Source: U.S. Department of State

NOTE: Figures include immigrants handled under third country processing arrangements. These are persons not eligible to receive U.S. immigration visas from the embassy in Bucharest. These people travel to Rome or other locations for processing of their applications for admission to the United States as conditional entrants.

ROMANIAN EMIGRATION TO ISRAEL

MONTHLY TOTALS
(Visas issued by Israeli embassy)

MONTH	1979	1980	1981	1982
January	31	57	67	58
February	47	52	44	56
March	55	87	48	57
April	60	74	55	71
May	61	90	64	54
June	60	57	59	
July	58	127	92	
August	74	103	90	
September	120	131	158	
October	140	106	80	
November	158	83	109	
December	120	94	146	
TOTAL	984	1,061	1,012	296

Source: U.S. Department of State

VOLUME AND COMPOSITION OF U.S.-ROMANIAN TRADE
(Millions of Dollars)

US Exports	1978	1979	1980	1981	Jan-Mar. 1981	Jan-Mar. 1982
Manufactured	118.9	100.3	134.4	51.7	20.2	20.7
Agricultural	148.5	336.5	462.6	368.4	151.0	56.6
Other	50.5	63.7	123.2	83.8	20.3	13.9
TOTAL	317.9	500.5	720.2	503.9	191.5	91.2

US Imports	1978	1979	1980	1981	Jan-Mar. 1981	Jan-Mar. 1982
Manufactured	212.9	230.0	229.4	377.5	67.5	66.3
Agricultural	31.4	34.0	30.2	27.9	10.5	7.1
Other	102.3	65.6	52.6	154.7	29.7	17.5
TOTAL	346.6	329.6	312.2	560.1	107.7	90.9
TRADE TURNOVER	664.0	830.1	1032.4	1064.0	299.2	182.1
TRADE BALANCE	-29.2	+170.9	+408.0	-56.2	+83.8	+.3

Prepared by Commerce/IEP/EUR/EED

HUNGARY

Emigration From Hungary

Emigration from Hungary to the United States has been modest in recent years. In 1981, only 127 individuals emigrated. Contributing to this low rate is the country's moderately high standard of living and relatively stable internal conditions as well as its willingness to permit a large number of its citizens to visit the West. In 1981, some 11,790 persons visited the United States.

In 1981, the U.S. Department of State reported 11 problem emigration cases. Only four of those cases are still pending.

United States Trade With Hungary

Only modest growth in U.S.-Hungarian trade is expected in 1982. World recession and limited credit availability have slowed Hungary's domestic and foreign trade growth. Imports from the United States are expected to remain at last year's levels while Hungarian exports to the United States should increase slightly. Last year the United States exported $77.5 million in goods, while imports totaled $128.6 million.

Manufactured goods represent an increasing share of U.S.-Hungarian trade comprising over half of all U.S. exports and three-fourths of all U.S. imports. Hungarian exports include electical lamps and clothing. Major U.S. exports have been agricultural equipment and specialized industrial machinery, as well as agricultural products such as soymeal and cattle hides.

Since a patent dispute between the FMC Corporation and the Hungarian chemical enterprise Chinoin, various groups have been working with Hungary to minimize patent difficulties. Negotiations between FMC and Chinoin resulted last December in a preliminary commercial agreement. They are now reportedly close to reaching a final agreement.

VOLUME AND COMPOSITION OF U.S.-HUNGARIAN TRADE
(Millions of Dollars)

US Exports	1979	1980	1981	Jan-Mar. 1981	Jan-Mar. 1982
Manufactured	52.4	54.0	63.5	21.9	18.6
Agricultural	24.5	24.4	12.9	1.8	2.5
Other	.7	.6	1.1	.3	.4
TOTAL	77.6	79.0	77.5	24.0	21.5

US Imports	1979	1980	1981	Jan-Mar. 1981	Jan-Mar. 1982
Manufactured	75.6	75.8	93.1	23.2	27.7
Agricultural	35.9	31.3	34.0	12.1	7.9
Other	.7	.4	1.5	.4	.1
TOTAL	112.2	107.5	128.6	35.7	35.7
TRADE TURNOVER	189.8	186.5	206.1	59.7	57.2
TRADE BALANCE	-34.6	-28.5	-51.1	-11.7	-14.2

CHINA

Emigration from the People's Republic of China

In contrast to the Romanian situation, limitations of the U.S. quota have been the cause for the backlog of immigrants from the People's Republic of China. As of June 1982, the U.S. Department of State reported a 5-year wait for fifth preference emigration candidates (e.g. brothers and sisters of U.S. citizens).

In 1982, some 7,000 visas were issued to citizens of the PRC. There are now 90,000 Chinese with approved emigrant visa petitions waiting for space in the U.S. quota.

However, this year the number of emigrants is expected to increase because of a separate quota for Taiwan approved by Congress last year. Before the Congressional action, persons born in Taiwan were included in the PRC quota. This will help ease the backlog, but the Chinese still will be subject to the United States's worldwide limitation of 220,000 emigrants per year.

On the national level, China has a policy of free emigration. If people are discouraged to emigrate, it usually occurs on the local level where officials may not be anxious to lose the skills of an applicant. Persons claiming "dual" nationality are expected to have fewer problems obtaining travel documents in the future. (In the past, persons claiming both U.S. and PRC citizenship have had problems obtaining permission to travel to the United States because the PRC does not recognize their U.S. citizenship and the United States does not recognize their PRC citizenship.) Attached to the Ratification of Consular Convention, signed January 1982, were notes referring to family reunification and travel for dual nationals.

Besides the ongoing permanent emigration, there has been an upsurge in temporary visits by Chinese to the United States. There are now 8,000 students and scholars visiting this country, compared to about 100 Chinese scholars in 1979. About 100 business delegations per month visit the United States, totaling about 100,000 people in 1981.

United States Trade with China

During the past year and a half, the nature of our trade with the People's Republic of China has changed, with U.S. exports declining and U.S. imports growing rapidly. U.S. imports of Chinese goods grew markedly, both as a percent of total trade (1980: 22.0 percent; 1981: 34.5 percent). During the first 4 months of 1982 this trend has continued. U.S. exports totaled $1.17 billion, down 20 percent over the same period last year, while U.S. imports were $690.7 million, up 32 percent.

Wheat continues to be the number one U.S. export to China, followed by cotton and noncellulosic manmade fibers. Imports from China continued to increase with petroleum products, oilseeds and women's and girls' outerwear categories seeing the most expansion. China is currently the second largest supplier of textiles to the U.S.

The Chinese have made considerable progress in improving business facilities and conditions for U.S. firms operating in China, and have established a patent office. Although a patent law has been drafted, it has not yet been approved by the National People's Congress. In the absence of a patent system, foreign firms have been protecting their technology by contractual agreement on a case-by-case basis. So far, there have been no reports of the Chinese failing to fulfill these contractual obligations.

VOLUME AND COMPOSITION OF US-PRC TRADE

1976 - 1982
(Millions of Dollars)

U.S. Exports	1976	1977	1978	1979	1980	1981	Jan-Mar. 1982
Manufactured Goods	122.2	86.9	192.5	653.0	1,223.3	1,134.72	312.78
Agricultural Commodities	0.1	63.9	573.3	990.2	2,209.7	1,956.29	506.22
Other	13.1	20.5	52.4	73.3	316.0	507.59	85.52
Total	135.4	171.3	818.2	1,716.5	3,749.0	3,598.60	904.52
U.S. Imports							
Manufactured Goods	130.3	123.2	225.0	361.9	733.1	1,164.01	356.43
Agricultural Commodities	56.5	67.8	84.7	88.0	118.8	333.56	49.75
Other	15.1	11.7	14.3	142.4	206.4	397.76	149.98
Total	201.9	202.7	324.0	592.3	1,058.3	1,895.33	556.16
Trade Turnover	337.3	374.0	1,142.2	2,308.8	4,807.3	5,493.93	1,460.68
Trade Balance	-66.5	-31.4	+494.2	+1,124.2	+2,690.7	+1,703.3	+348.36

STATMENT OF CHAIRMAN JOHN C. DANFORTH
PUBLIC HEARING ON EXTENSION OF MOST-FAVORED-NATION STATUS TO ROMANIA, HUNGARY, AND THE PRC

AUGUST 10, 1982

This morning the Subcommittee on International Trade will receive testimony on extending for one more year the President's authority to waive the freedom of emigration requirements under the Trade Act of 1974. This extension would continue most-favored-nation trading status for Romania, Hungary and the People's Republic of China. These three countries are the only nations to receive most-favored-nation treatment under the Trade Act, and continuation of the waivers with respect to them is necessary if they are to continue receiving such treatment.

Since assuming the chairmanship of this subcommittee, I have become aware of the problems faced by persons wishing to leave Romania. During the past two years, I have met regularly with Romanian officials to express my concerns about emigration policies. In reviewing emigration statistics this year, it appears that the number of immigration visas issued by the United States and Israel to Romanians is being maintained at last year's levels. Figures provided by the Romanian government indicate that approvals for emigration will be higher this year than in 1981. Last year, the Romanian government issued a total of 2,501 approvals for emigration to the United States. Already this year, 2,322 approvals have been issued. Approvals for Israel during the first seven months of this year total 1,228, surpassing the 1,102 approvals issued during all of last year.

This increase in approvals is encouraging. But as in the past, it has been accompanied by intense pressure from the Congress during recent months. Thus, I must emphasize, as did President Reagan in his recommendation to the Congress for extension of the waiver, that it is imperative for Romania to implement procedures simplifying and streamlining the emigration process. It also is important that approvals throughout the year remain at the higher levels we have seen in recent months.

I understand that the Romanian government has agreed to meet with U.S. officials to discuss improving emigration procedures. Similar talks are also scheduled with the Conference of Presidents of Major American Jewish Organizations. I plan to closely follow the progress of these discussions.

Finally, with respect to Romania, I share the deep concern of many of my colleagues over persistent reports of harassment by Romanian authorities of Christians seeking to practice their religion.

On Friday, I received confirmation that 9 Romanian Christians imprisoned earlier this year have been released. I hope this amnesty represents a change in Romania's attitude which will be exhibited year round rather than just at this time of year.

In looking at Hungary's emigration record, it must be noted that most cases are resolved within a six-month period. However, there now are several cases that have been pending for as long as five years. Although one of the outstanding family reunification cases recently was resolved, I am disappointed that the other cases have been neglected for such a long period of time.

As this subcommittee considers the continuation of MFN trading status for Hungary and Romania, these freedom of emigration and human rights issues must be closely examined.

STATEMENT OF SENATOR DOLE

MR. CHAIRMAN:

I AM PLEASED TO JOIN YOU FOR ONE OF THE MOST IMPORTANT TASKS OF THE FINANCE COMMITTEE: THE ANNUAL REVIEW OF THE PRESIDENT'S DETERMINATION REGARDING EXTENSION OF MOST-FAVORED-NATION (MFN) STATUS TO HUNGARY, ROMANIA, AND THE PEOPLE'S REPUBLIC OF CHINA. TRADE WITH THESE NATIONS CERTAINLY HAS ATTAINED AN IMPORTANT SHARE OF OVERALL U.S. IMPORTS AND EXPORTS IN RECENT YEARS, REACHING A 1981 VOLUME OF OVER $5.7 BILLION, WITH A SUBSTANTIAL U.S. SURPLUS. BUT INCREASING TRADE DOES NOT OBSCURE OUR REASON FOR BEING HERE TODAY: TO DETERMINE WHETHER THE ESSENTIAL BASIS FOR THAT TRADE--THE EMIGRATION POLICIES OF THESE NATIONS--SATISFIES THE CONGRESSIONAL PURPOSE, EMBODIED IN TITLE IV OF THE 1974 TRADE ACT, OF CONDITIONING THE GRANTING OF MFN ON SUCH A BASIC HUMAN RIGHT. AS CO-CHAIRMAN OF THE HELSINKI COMMISSION, WHICH MONITORS AND ENCOURAGES COMPLIANCE BY SIGNATORY NATIONS, INCLUDING HUNGARY AND ROMANIA, WITH THE BROAD RECOGNITION OF HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS SET FORTH IN THE HELSINKI FINAL ACT, I MAINTAIN AN ESPECIALLY STRONG INTEREST IN THESE MATTERS.

"IT IS FORBIDDEN"

ON PAGE 1 OF YESTERDAY'S WASHINGTON POST, MICHAEL DOBBS COMMENTED IN AN ARTICLE CONCERNING MOSCOW AND WARSAW ABOUT THE MOST UBIQUITOUS EXPRESSION IN THE RUSSIAN LANGUAGE: "IT IS FORBIDDEN." HE MENTIONED THE HORROR OF ONE BRITISH MOTHER UPON HEARING THESE WORDS FROM HER 18 MONTH OLD CHILD--HIS FIRST WORDS. SUCH STORIES ARE A USEFUL REMINDER THAT OPPRESSION REMAINS THE STANDARD BY WHICH THE SOVIET BLOC COUNTRIES DEAL WITH THEIR

CITIZENRY. THEY HAVE ENGRAINED IN THEIR LANGUAGE THE CURRENCY OF FEAR, THE CYNICAL DENIAL OF LIBERTY.

UNTIL 1975 "IT IS FORBIDDEN" WAS THE FIRST RESPONSE MOST CITIZENS OF ROMANIA AND HUNGARY RECEIVED WHEN THEY ASKED FOR PERMISSION TO EMIGRATE FROM THEIR HOMELANDS TO SEEK A FRESH BEGINNING ELSEWHERE. THE NEXT RESPONSES OFTEN INCLUDED JOB LOSS, ARREST AND TORTURE, HARASSMENT, AND DENIAL OF SCHOOLING FOR CHILDREN. THERE ARE FEW TOOLS AVAILABLE TO THE UNITED STATES THAT WILL PERSUADE ANOTHER COUNTRY NOT TO BRUTALIZE ITS CITIZENS WHEN IT IS INTENT ON DOING SO. BUT THE PRIVILEGE OF TAPPING THE GREAT U.S. MARKET IS ONE OF THEM.

LED BY OUR FIRST WITNESS TODAY, SENATOR JACKSON, THE CONGRESS CONSTRUCTED IN THE TRADE ACT OF 1974 A MECHANISM BY WHICH THIS COUNTRY COULD LEND A HAND TO THOSE ABROAD WHO SHARE OUR VALUES AND WHO WISH TO LIVE THEIR LIVES FREE FROM FEAR. SINCE 1975, 1978, AND 1979, WHEN THE FIRST MFN AGREEMENTS WERE SIGNED WITH ROMANIA, HUNGARY, AND CHINA, RESPECTIVELY, EMIGRATION HAS IMPROVED MARKEDLY. THERE ARE FEW ISSUES CONCERNING CHINA. WITH THE NOTABLE EXCEPTION OF A FEW FAMILY REUNIFICATION CASES, EMIGRATION ISSUES ARE HANDLED CALMLY BY AND LARGE WITH RESPECT TO HUNGARY THESE DAYS. THE CONSTRUCTIVE ATTITUDE OF THE HUNGARIAN GOVERNMENT--WHICH I HOPE WILL CONTINUE TO RECOGNIZE ITS SOLEMN UNDERTAKINGS IN THE HELSINKI FINAL ACT--WILL HOPEFULLY RESULT IN SATISFACTORY RESOLUTION OF THESE FEW OUTSTANDING CASES. FINALLY, I AM PLEASED THAT EMIGRATION FROM ROMANIA CONTINUED TO INCREASE IN 1981, AND APPARENTLY IS BEING ALLOWED AT UNPRECEDENTED LEVELS AT THE PRESENT TIME.

FOR THE THOUSANDS OF FORTUNATE ONES WHO WERE ALLOWED TO LEAVE THE SOVIET BLOC THESE PAST FEW YEARS, "IT IS FORBIDDEN" BECAME AN INJUNCTION OF THE PAST.

IMPROVEMENT NEEDED IN ROMANIA

WHILE THE PAST SEVERAL MONTHS HAVE SEEN SOME IMPROVEMENTS IN HUMANITARIAN AREAS OF CONCERN, I AM NOT AT ALL SATISFIED WITH THE SITUATION IN ROMANIA.

IT IS TRUE THAT EMIGRATION FROM ROMANIA TO THE UNITED STATES HAS INCREASED SIX-FOLD OVER THE LAST SEVEN YEARS AND THAT EMIGRATION FROM ROMANIA TO THE FEDERAL REPUBLIC OF GERMANY HAS BEEN SUSTAINED AT HIGH LEVELS SINCE 1977. IT IS ALSO TRUE THAT IN 1979 ROMANIA REACHED A GENTLEMEN'S AGREEMENT WITH AMERICAN JEWISH LEADERS ON THE FACILITATION OF JEWISH EMIGRATION TO ISRAEL. THESE POSITIVE STEPS IN THE FIELD OF EMIGRATION, HOWEVER, MUST BE VIEWED AGAINST A STARK BACKGOUND.

IN RECOMMENDING MFN RENEWAL, PRESIDENT REAGAN FELT COMPELLED TO EXPRESS HIS "GRAVE CONCERN" ABOUT ROMANIA'S "REPRESSIVE EMIGRATION PROCEDURES," WHICH CLEARLY INHIBIT MANY PEOPLE FROM APPLYING TO EMIGRATE, WHETHER THEIR DESTINATION IS THE UNITED STATES, ISRAEL, THE FEDERAL REPUBLIC OF GERMANY, OR ANOTHER WESTERN COUNTRY. EVEN THE LUCKY FEW WHO MANAGE IN THE END TO SECURE PERMISSION TO EMIGRATE ENDURE HARASSMENT AND INTIMIDATION, AND MUST OVERCOME DAUNTING PROCEDURAL OBSTACLES.

PRIVATE GROUPS, MEMBERS OF CONGRESS, THE HELSINKI COMMISSION, AND OTHERS CONTINUE TO RECEIVE HUNDREDS OF CASES EVIDENCING THE UNDUE HARDSHIP EXPERIENCED BY PROSPECTIVE EMIGRANTS, INCLUDING: INQUISITION BY PARTY OFFICIALS, POLICE

AUTHORITIES, NEIGHBORS, EMPLOYERS, AND CO-WORKERS; JOB DEMOTIONS OR DISMISSALS CARRYING THE EVENTUAL THREAT OF ARREST ON "PARASITISM" CHARGES; EVICTION FROM APARTMENTS; EXPULSION FROM SCHOOLS OR UNIVERSITES; AND STIGMATIZATIONS AS A "TRAITOR."

ROMANIA'S RESPONSIVENESS TO U.S. HUMAN RIGHTS CONCERNS DIMINISHED DRAMATICALLY ONCE MFN WAS GRANTED LAST YEAR. THIS DISTURBING TREND CONTINUED INTO THE EARLY MONTHS OF 1982, AN UNFORTUNATE REPLICATION OF THE PREVIOUS YEARS' PATTERN UNDER THE MFN AGREEMENT. ALTHOUGH THE MORE RECENT MONTHS' PROGRESS IS WELCOME, IT IS CRUEL TO ITS VICTIMS AND MAKES A MOCKERY OF BOTH CONGRESSIONAL INTENT AND ROMANIA'S COMMITMENTS TO THE HELSINKI ACCORDS.

AS THE PRESIDENT ACKNOWLEDGED, HARASSMENT AND MANIPULATION OF EMIGRATION FLOWS RAISE A SERIOUS QUESTION WHETHER AN AFFIRMATIVE JACKSON-VANIK DETERMINATION SHOULD BE MADE. THIS CONCERN IS COMPOUNDED BY DISMAYING EVIDENCE OF ROMANIA'S HUMAN RIGHTS RECORD AS A WHOLE.

ALTHOUGH I AM PLEASED BY THE RECENT RELEASE OF ELEVEN CHRISTIAN PRISONERS OF CONSCIENCE IN ROMANIA, AND BY STEADY PROGRESS TOWARD THE RELEASE OF POLITICAL PRISONERS, ROMANIA WILL HAVE TO EVINCE A MUCH GREATER RECOGNITION OF RELIGIOUS FREEDOM AND THE FULL ENJOYMENT OF MINORITY RIGHTS BEFORE IT WILL COMPLY WITH THE PROVISIONS OF THE HELSINKI FINAL ACT AND THE SPIRIT OF THE 1974 TRADE ACT.

IN ROMANIA, RELIGIOUS ACTIVITIES HAT GO BEYOND THE STRICT STATE-IMPOSED LIMITS ARE SUBJECT TO SEVERE REPRESSION; NATIONAL MINORITIES DO NOT HAVE ADEQUATE CULTURAL AND EDUCATIONAL OPPORTUNITIES TO ENSURE THE PRESERVATION OF THEIR UNIQUE

LANGUAGES, HISTORIES, AND TRADITIONS; AND ACTIVISTS, SUCH AS THE DISSENTING ORTHODOX PRIEST AND PRISONER OF CONSCIENCE, FATHER GHEORGHE CALCIU, ARE IMPRISONED FOR EXERCISING THEIR BASIC HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS.

AFTER CAREFUL CONSIDERATION AND IN FULL AWARENESS OF ROMANIA'S POOR HUMAN RIGHTS RECORD, I RELUCTANTLY CONCLUDED THAT THE CONGRESS SHOULD ACQUIESCE IN THE PRESIDENT'S DECISION TO EXTEND MFN FOR THE NEXT YEAR. IT IS THE MOST CONSTRUCTIVE COURSE FOR CONGRESS TO TAKE. THE QUESTION IS NOT WHETHER ROMANIA IS A REPRESSIVE COUNTRY--IT IS. RATHER, THE QUESTION IS WHETHER, BY GRANTING AN EXTENSION OF MFN FOR AN ADDITIONAL ONE-YEAR PERIOD, WE CAN ENCOURAGE ROMANIA TO ABIDE BY ITS INTERNATIONAL COMMITMENTS IN THE REALM OF HUMANITARIAN CONCERNS.

TO GIVE THE ADMINISTRATION, THE PUBLIC, AND THE ROMANIAN GOVERNMENT A SENSE OF WHAT DIRECTION THE SENATE HOPES ROMANIA WILL TAKE, I WILL INTRODUCE A RESOLUTION CALLING UPON THE U.S. GOVERNMENT TO SEEK CREDITABLE ASSURANCES THAT ROMANIA WILL IMPROVE ITS EMIGRATION PROCECURES. FURTHER, THE RESOLUTION WILL REFLECT THE VIEW OF THE SENATE THAT ROMANIA HAS CONTINUED TO VIOLATE THE HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS OF CITIZENS, PARTICULARLY THOSE BELONGING TO RELIGIOUS GROUPS AND NATIONAL MINORITIES. LAST, THE RESOLUTION WILL DIRECT THE UNITED STATES GOVERNMENT TO PURSUE THESE CONCERNS BOTH WITH THE ROMANIAN GOVERNMENT AND IN APPROPRIATE INTERNATIONAL FORA, INCLUDING THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE.

MR. CHAIRMAN, A GOOD BILATERAL RELATIONSHIP, INCLUDING TRADE, IS GREATLY FOSTERED BY A CLIMATE WHERE HUMAN RIGHTS FLOURISH AND INTERNATIONAL OBLIGATIONS ARE KEPT. I FULLY EXPECT THAT THE THE ROMANIAN GOVERNMENT UNDERSTANDS THIS, AND WILL REGARD THE RESOLUTION I PROPOSE AS A CONSTRUCTIVE EFFORT BY THE SENATE TO DEAL WITH THE SERIOUS AND UNFORTUNATE SITUATION WHICH CONFRONTS US.

THANK YOU, MR. CHAIRMAN.

Senator DANFORTH. This morning the Subcommittee on International Trade will receive testimony on extending for 1 more year the President's authority to waive the freedom of emigration requirements under the Trade Act of 1974. This extension would continue most-favored-nation trading status for Romania, Hungary, and the People's Republic of China. These three countries are the only nations to receive most-favored-nation treatment under the Trade Act, and continuation of the waivers with respect to them is necessary if they are to continue receiving such treatment.

Since assuming the chairmanship of this subcommittee I have become aware of the problems faced by persons wishing to leave Romania. During the past 2 years, I have met regularly with Romanian officials to express my concerns about emigration policies. In reviewing emigration statistics this year, it appears that the number of immigration visas issued by the United States and Israel to Romanians is being maintained at last year's levels. Figures provided by the Romanian Government indicate that approvals for emigration will be higher this year than in 1981. Last year the Romanian Government issued a total of 2,501 approvals for emigration to the United States. Already this year 2,322 approvals have been issued. Approvals for Israel during the first 7 months of this year total 1,228, surpassing the 1,102 approvals issued during all of last year.

This increase in approvals is encouraging. But as in the past, it has been accompanied by intense pressure from the Congress during recent months. Thus, I must emphasize, as did President Reagan in his recommendation to the Congress for extension of the waiver, that it is imperative for Romania to implement procedures simplifying and streamlining the emigration process; it also is important that approvals throughout the year remain at the high levels we have seen in recent months.

I understand that the Romanian Government has agreed to meet with U.S. officials to discuss improving emigration procedures. Similar talks are also scheduled for the Conference of Presidents of Major American Jewish Organizations. I plan to closely follow the progress of these discussions.

Finally, with respect to Romania, I share the deep concern of many of my colleagues over persistent reports of harassment by Romanian authorities of Christians seeking to practice their religion.

On Friday I received confirmation that nine Romanian Christians imprisoned earlier this year have been released. I hope this amnesty represents a change in Romanian attitudes and will be exhibited year round rather than just at this time of year.

In looking at Hungary's emigration record, it must be noted that most cases are resolved within a 6-month period. However, there are several cases that have been pending for as long as 5 years. Although one of the outstanding family reunification cases recently was resolved, I am disappointed that the other cases have been neglected for such a long period of time.

As this subcommittee considers the continuation of MFN trading status for Hungary and Romania, these freedom of emigration and human rights issues must be closely examined.

Senator Moynihan?

Senator **Moynihan**. Thank you, Mr. Chairman. Let me associate myself with those things which you have said. I am in complete agreement.

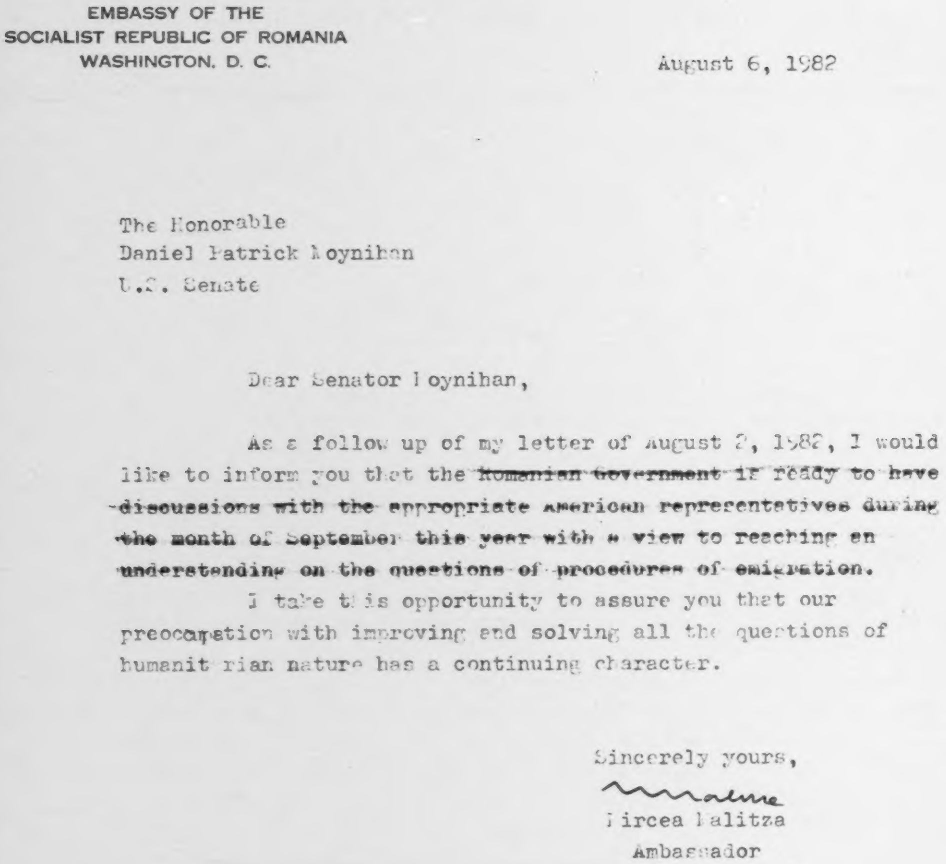
On this committee we have been interested in this subject, as our leading witness would expect and require us to be. I have met with the Romanian Ambassador, Ambassador Malitza, to discuss this matter, as you have done also. I have a letter from him which I have just received, which I think is of some interest. If I could simply read it, it says:

> As a follow-up of my letter of August 2, 1982, I would like to inform you that the Romanian government is ready to have discussions with the appropriate American representatives during the month of September of this year with a view to reaching an understanding on the questions of procedures of emigration. I take this opportunity to assure you that our preoccupation with improving involving all questions of a humanitarian nature has a continuing character. Sincerely, Mircea Malitza, Ambassador.

Perhaps we could put this in the record, Mr. Chairman. I think it is a firm commitment from that government with respect to a matter of concern to us.

With that, I would welcome Senator Grassley and look forward to hearing from him.

[The letter follows:]



EMBASSY OF THE
SOCIALIST REPUBLIC OF ROMANIA
WASHINGTON, D. C.

August 6, 1982

The Honorable
Daniel Patrick Moynihan
U.S. Senate

Dear Senator Moynihan,

As a follow up of my letter of August 2, 1982, I would like to inform you that the Romanian Government is ready to have discussions with the appropriate American representatives during the month of September this year with a view to reaching an understanding on the questions of procedures of emigration.

I take this opportunity to assure you that our preoccupation with improving and solving all the questions of humanitarian nature has a continuing character.

Sincerely yours,

Mircea Malitza
Ambassador

Senator **Danforth**. Senator Grassley?

STATEMENT OF HON. CHARLES E. GRASSLEY, A U.S. SENATOR FROM THE STATE OF IOWA

Senator **Grassley**. Thank you, Mr. Chairman.

In keeping with the requirement of section 402 of the 1974 Trade Act, I have taken a very close look at the records of the Peoples Republic of China, the Peoples Republic of Hungary, and the Socialist Republic of Romania. The records are clearly mixed and raise some important humanitarian concerns.

In his MFN message to Congress on June 2, President Reagan stated that for Hungary, and I quote, "Few problem cases arise, and these can be discussed constructively with the Hungarian government."

Indeed, in the last 4 years it has taken Hungary an average of 6 months to resolve family reunification cases involving the United States. I am very pleased to acknowledge the recent resolution of a difficult case of a baby separated from its parents in the United States, a case which I personally sent letters to the Hungarian Ambassador about. However, as I review the current U.S. State Department representation list of unresolved emigration cases, I am dismayed to see that the five cases on it have been outstanding for inordinately long periods of time. I raise the following two cases in illustration:

In 1976, a Hungarian family visited their American relatives. At that point they could have chosen to seek political asylum in the United States and caused considerable embarrassment to their native country. Instead, they returned to Hungary, and the next year initiated the prescribed legal procedures for emigration. Five years later they are still in Hungary, having been denied repeatedly their emigration request on the dubious grounds that their departure would do, and I quote, "Harm to the public order."

Half of another family has lived in Connecticut for more than 20 years. The other half of the family has been trying to emigrate from Hungary for the last 10 years. First, the Hungarian relatives tried to cross the border without legal authorization. They served jail terms for their ill-fated effort. Since their release from prison they have sought the required official permission to leave the country, but to no avail. On seven different occasions their requests even for a family visit were denied. In Connecticut, the father of one of the intending emigrants died without seeing his son, whose urgent request for a deathbed visit was cruelly rejected.

In a recent letter to the Hungarian ambassador my colleagues and I suggested that the treatment accorded the five divided-family cases still existing between our two countries has in no way been humanitarian. Whether there are 5 or 500 cases at issue, the Hungarian Government's humanitarian obligation is equally binding, and Congress appeal for human decency equally compelling. Hungary's record shall remain blemished until these meteritorious family reunification cases are resolved compassionately.

I would at this point like to mention also some cases from Romania, a country whose human rights record long has been a subject of considerable concern to those of us in Congress. I think it is accurate to say that my colleagues serving on this subcommittee and in the Congress as a whole have had their good will exhausted with the way Romania has approached the most-favored-nation review over the years. We have witnessed foot dragging on emigration cases of interest to Congress 8 months out of 12 by cyclical increases in the resolution rate of meritorious cases during the few months of most-favored-nation review.

Of course, Members of Congress are always happy to see the cases resolved, but we can only infer from the seasonal pattern of resolution a manipulation of the emigration flow by the Romanian Government rather than an effort to decide emigration requests on their merits in a timely fashion.

Over the years Members of Congress have been much distressed to receive reports of harassment and intimidation of Romanian citizens who seek to emigrate. We continue to question the daunting procedural obstacles impending emigrants must face, whether their destination is the United States, Israel, the Federal Republic of Germany, or any Western country. All of us share President Reagan's concern for an improvement in the system by which Romanian Jews may emigrate to Israel. I am pleased to acknowledge that recent months and weeks have seen some progress in the emigration area. There have been appreciable jumps in the number of cases approved by the Romanian Government for emigration to the

United States and to Israel, and increases in the number of immigrants from Romania arriving in both countries.

A number of individual cases of particular interest to Members of Congress have been favorably dealt with; however, other cases badly in need of compassionate relief remain unresolved.

I understand that representatives of the Confederate Conference of Presidents of Major American Jewish Organizations and Romanian officials will meet tomorrow—that's on August 11—to begin a series of new discussions aimed at clarifying and simplifying the process by which Romanian Jews may emigrate. I also have been informed that the Romanian Government has expressed a willingness to undertake similar discussions in September regarding emigration procedures for the United States. I sincerely hope that these efforts will bring tangible results. Should the discussions lead to the humanization of the emigration experience, the administration's and Congress' emigration concerns substantially will be met. Should they fail to produce concrete results, U.S. policymakers will have reached the limits of their sorely strained patience.

Whereas the letter of the Jackson-Vanik amendment to the 1974 Trade Act rests on emigration, the spirit of the amendment can be said to encompass human rights issues as a whole. Increasingly the plight of activist Christians has become a concern in the West. Believers who engage in religious activities beyond the stringent state-imposed limits continue to face harassment, at best, and arrest and imprisonment, at worst. The severe constraints on religious practice in Romania are alien to the American concept of religious freedom. Incidents of harsh treatment of religious activists in Romania always will be received with vocal protest in the United States. Members of Congress will continue to use every constructive means available to ease their plight.

I am very relieved and pleased to report that 11 Christian prisoners for whom Congress has worked recently have been released from prison. They had been sentenced in December 1981 and March 1982 to 5- and 6-year sentences for the receipt from abroad and distribution of Bibles. Their release is an indication that the Romanian Government has responded to the deep concern expressed in the United States for these individuals. We fervently hope that our repeated expressions of broad-based congressional support for Father Kelsio, a dissenting Orthodox priest and prisoner of conscience since 1979, will soon result in his release as well.

In the last months and weeks Romania has made a hurried step to respond to humanitarian preoccupations of Congress. A steady forward pace in the field of emigration, religious liberty, minority rights and other human rights, and fundamental freedoms over the past year would have been vastly more welcome and beneficial for Romania's interests.

This concludes my general remarks, Mr. Chairman. Although I have not cited specific concerns relative to the People's Republic of China, it does not necessarily mean that I do not have any. However, due to the pressure of time, I am going to listen with interest to the testimony presented by our panelists. Their comments, I am sure, will help the subcommittee and Congress decide how our shared humanitarian aims may best be served.

[The prepared statement of Senator Grassley follows:]

OPENING STATEMENT
SENATOR CHARLES GRASSLEY
SENATE FINANCE SUBCOMMITTEE ON INTERNATIONAL TRADE
AUGUST 10, 1982

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Thank you.

Senator DANFORTH. Our first witness is Senator Jackson, and we're delighted to have you here.

STATEMENT OF HON. HENRY M. JACKSON, A U.S. SENATOR FROM THE STATE OF WASHINGTON

Senator JACKSON. Thank you, Mr. Chairman, members of the committee.

I appreciate this opportunity to record my support for the President's recommendation for a further extension of the general waiver authority conferred by section 402(c) of the Trade Act of 1974, and for the continuation of the waivers applicable to the Socialist Republic of Romania, the Hungarian People's Republic, and the People's Republic of China.

As you are aware, Mr. Chairman, section 402 of the Trade Act of 1974, the Jackson-Vanik amendment, is an historic effort to encourage respect for the fundamental human right to emigrate—what has aptly been called "the life-saving right of last resort." As the law of the land, section 402 prohibits MFN treatment and Government credits to nonmarket countries until those governments explicitly and clearly commit themselves to freer emigration policies and practices.

I remind you that the obligation to respect the right to emigrate has been freely undertaken by the signatories of the Declaration of Human Rights—adopted in 1948—the International Covenants on Human Rights, and the Helsinki accords. Indeed, in voluntarily joining in these international agreements, the Soviet Union, too, committed itself to respect the right of a person to choose his country of residence.

To urge a nation to live up to its freely assumed commitments is not intervention in their internal affairs; it is precisely in the name of the voluntarily accepted obligation of a nation under international law that we ask it to respect the right to emigrate.

Tens of thousands of people—Christians, Jews, and others—have been able to emigrate because of the amendment. For thousands of others who want to emigrate the amendment is still their principal hope. Its provisions constitute indispensable leverage in the ongoing bargaining for freer emigration.

Mr. Chairman, I welcome the administration's recommendation to further extend the general waiver authority provided in section 402(c). That authority has made it possible to reach and maintain bilateral trade agreements with Romania, Hungary, and the People's Republic of China. Beyond that, a continuation of that authority keeps the door open to the expansion of our bilateral trade relations with other nonmarket countries as favorable chances may arise.

I want to speak briefly on the continuation of the waivers for China and Romania.

As members of your committee know, the Chinese-American relationship has come a long way and is today comprehensive and complex. China's leaders explicitly recognize shared and parallel interests with us, our NATO allies, and Japan. They are playing a key strategic role in world affairs, including the effort to deter Soviet expansion in Southeast and South Asia.

The truth is we Americans have an important stake in the continuing existence of an independent, strong China. Our cooperation with the People's Republic in its drive to become a modern industrial state and to work with her leaders where our strategic and bilateral concerns run parallel are in American as well as Chinese interests.

As this committee knows, I strongly advocated the United States-China trade agreement providing for the extension of most-favored-nation treatment and access to official credits. It has laid the basis for the significant increase of trade and financial ties between our two countries, with substantial mutual benefits. It gives the U.S. firms a better position to compete with firms from other nations.

Moreover, the PRC chose cooperation with us in prividing the assurances regarding its future emigration practices called for as a condition of the waiver under the amendment, and this cooperation is enhancing personal liberty for many Chinese wishing to emigrate or visit or study abroad and contributing to the economic advance of the Chinese people. As reported by the administration, U.S. Foreign Service posts in China issued 6,920 immigrant visas in fiscal year 1981, and over 15,293 nonimmigrant visas for business, study, and family visits. More than 8,000 Chinese are now in the United States for long term study and research.

With respect to Romania, I wish to underline the continuing American interest in a vigorous, politically effective Romania, able to act independently on key foreign policy issues. Romania and the U.S. share mutual and parallel interests on many international matters. There are numerous tasks on which we can work together. It serves our national interest to hearten and encourage Romania to exercise its right as a sovereign state to greater freedom in the face of Kremlin political-diplomatic pressures and dominant Soviet military power.

Romania was the first country to cooperate with us in accepting the terms of the amendment as one of the bases of increased trade with the United States. In reviewing the record, I note that in 1981 about 2,400 persons emigrated from Romania to this country, close to six times the pre-MFN level of emigration. I also note that approvals to leave Romania to come to this country in the first seven months of 1982 are about 2,238, which approaches the level of annual approvals for the last 4 full years, 1978–81.

American concern this year has centered particularly on the lag in Romanian emigration to Israel. As you know, Mr. Chairman, the Romanian Government has been pressed from many quarters to take this concern seriously and has recently solved many of the difficult cases, including longer-term hardship cases. Mr. Jack Spitzer, President of B'nai B'rith, is scheduled to visit Bucharest in September to discuss with the responsible institutions, as Ambassador Malitza puts it, "new ways to further clarify, simplify and expedite" the procedures for emigration from Romania to Israel.

In talks with Romanian officials this year, I have particularly urged them to streamline the Romanian emigration process so that applications are handled expeditiously and adjudicated promptly, and all harassment of applicants avoided.

In an August 2 letter to me from Ambassador Malitza he gives this assurance:

> * * * there is a firm desire of the Romanian Government to make further progress in the field of procedures of emigration, including the question of reducing the time period required for processing the applications.
>
> At the same time, the Romanian authorities reaffirm their position of not subjecting the persons tendering applications for emigration to discriminations and are determined to take the necessary steps in order to have this policy strictly implemented.

I welcome this assurance and want Ambassador Malitza to know that I personally appreciate his constructive efforts to respond to the concerns which have arisen.

Mr. Chairman, I am persuaded that the annual review procedure under section 402—including the annual hearings in the House and Senate—has again proved its importance in implementing the intent and purpose of the amendment.

I also believe that continuation of the waiver for Romania will give us the context in which to continue to cooperate with the Romanian Government in these matters of mutual concern.

Mr. Chairman, I thank you for the opportunity to present my testimony this morning.

Senator DANFORTH. Senator Jackson, thank you very much. You are without any doubt the leader in the Congress on the whole question of human rights in Eastern Europe and in emigration policy. It is your view that the MFN status should be extended to Hungary, Romania, and China for an additional year, and it is your view that the interests of the United States and the interests of freer emigration and human rights would thus be served by extending MFN through next year. Is that correct?

Senator JACKSON. That is correct, and I can give my strong assurance to the committee that in my judgment this is the wise course to follow.

Mr. Chairman, I think the work you are doing as chairman, and the members of the committee are doing, does more in the cause of human rights than any one single activity on the part of Congress. This procedure which is followed on an annual basis makes it possible for our Government to have a continuous audit on the question of whether or not the effort is being made to comply with the provisions of the amendment. I want to commend you and the members of the committee for it. I know it takes a little time, but in one day here of hearings you do more good for the cause of human rights, in my view, than any one other thing that we are called upon to do on Capitol Hill to help those who suffer from oppression and want to leave—and that is the most important freedom that can be obtained for those who wish to emigrate.

Senator DANFORTH. It may be that at some point in time we would decide not to extend MFN entries. Why shouldn't this be the time? What would be the consequences right now of failure to extend?

Senator JACKSON. Well, this is a matter that I think needs to be reviewed on a country-by-country basis. In my judgment, all three countries here are making that degree of progress which merits the extension of the waiver. Clearly they are all on notice that if they do not follow the basic procedures that have been discussed here year after year most-favored-nation treatment will be denied. I think the very existence of that power, especially now with world economic conditions being what they are, is the most potent force that we have to help extend human rights.

We all know that we have our own economic problems, but other countries are far worse off, and this is a time when I think our utilization of the MFN approach will do more good than any one single thing that we can do.

Senator **Danforth**. Senator Moynihan?

Senator **Moynihan**. Well, Mr. Chairman, as you have indicated, with respect to the right of individuals freely to emigrate from Eastern Europe no more authoritative voice speaks in the Senate than that of Senator Jackson. His recommendation to the committee is emphatic and clear.

Senator **Long**. Well, I was just looking at some of the material that has been prepared for us, Senator Jackson. I, of course, have pardonable pride, I hope, about this country. I think we have the most desirable country in which to live. Now, if we let all these people who would like to come here from China, if they just knew what a good country we have, and if we let all the people come, where are we going to find a place to put all those people?

Senator **Jackson**. Well, Senator Long, as you know, this amendment is not directed to immigration into the United States. It simply addresses the opportunity for people to leave certain nonmarket countries. And a great percentage of these people are not coming into the United States—they are subject to the quotas established by our national law. And in the case of political refugees, of course, the Attorney General has certain discretionary authority.

But I think you made a very good point. You know the story that Deng Xiaoping told when they asked him about this amendment at the White House. They kept asking him would he comply with the provisions of the amendment honoring the right of people who wish to emigrate to emigrate. He said, "Well, I can start with 10 million on an annual basis." [Laughter.]

Senator **Long**. Well, that's just a problem that I think that we have to think about on this end. We have a lot of friends from Latin America who would like to come here; we have 5 million of them in here illegally—more than we can handle.

Senator **Jackson**. But they are not involved in this amendment.

Senator **Long**. I understand that. I just wanted to raise that issue to press the matter. I would like to see everybody privileged. If anybody is not happy where he is, I think he ought to be privileged to move, provided that they don't all move here; because we have the nicest place in the world for folks to go, in my judgment, and if they all came here, and if they are as smart as I think they ought to be I think they would come here, there is no way we could handle all of them.

Senator **Jackson**. I don't disagree at all, and of course this amendment does not require that they come here. They can only come here if they can comply with the existing law on immigration. So you have made a very good point, and this amendment does not require they come to the United States.

The amendment has its genesis in Article XIII of the Universal Declaration of Human Rights, adopted by the United Nations in 1948 under the leadership of Eleanor Roosevelt. Article XIII stipulates as follows—and don't hold me to the exact language, but it is approximate—that every person shall have the right to leave a country freely and return freely. That is the heart of the amendment. And then, through a series of international conventions, various countries implemented that provision in treaty form ending up with the Helsinki Final Act.

I want to emphasize, because there has been so much misunderstanding, we are not intervening in the affairs of any other country. All we are saying is, "Look, you signed this treaty. Now, live up to it. And if you don't live up to it, why should we grant you most-favored-nation status?" That's the origin of the amendment.

I do believe that the fact that so many want to live in a freer society is a great tribute to our system and probably the most potent force in the long run for peace and stability in the world. It's a great tribute that on this continent we have taken people from every nation.

If you look at the Soviet Union, they have some 152 nationalities—most of them living in enclaves—and they have not been able to make the system work. We have more nationalities than that in the United States, and here we are with what?—7 percent of the world's population, producing more goods and services than a great part of the world combined.

I merely suggest these things to point out what is really involved in the amendment. The last thing this amendment would do would be to amend the existing immigration laws.

Senator LONG. Well, I think we can be pretty proud of our situation, and if I'm wrong I wish you would correct me; but my impression is that here we are, anybody who wants to leave can go. Is that correct? If anybody wants to go, "Just get moving." As a matter of fact, there are some of them I would be privileged to help pay the expense of a one-way ticket if they would just move on

But here we are. Anybody who wants to leave can leave. And yet we need a fence to keep people out, not in. We need a fence to keep them out because so many would like to come here.

Senator JACKSON. No. We do not build walls to keep our people in. And, of course, the other countries are building the walls higher and higher to keep them in.

Senator LONG. We need a fence because we can't satisfy the demand for the people who would like to come here. That's the difference between our situation and theirs.

Senator JACKSON. We would have over a billion people here in no time if those walls should crumble and if we could accept them, which obviously we are not about to do.

Senator DANFORTH. Senator Bradley?

Senator BRADLEY. Senator Jackson, in your testimony you have recommended waivers for Romania, Hungary, and China. Are you more concerned about any one of the countries than any of the others?

Senator JACKSON. Well, I guess I'm least concerned about China.

Senator BRADLEY. As a potential violator of Jackson-Vanik?

Senator JACKSON. Well, they are letting, as you know, thousands out, and they are moving now for the first time. Many of the Chinese are coming on temporary visas, but there is great movement there.

I think when you consider the total population of China—a billion people—that the moves that they have been making are in the right direction. They have enormous problems to address in the population area, and they have a very large overseas Chinese population, too, that is involved indirectly in this; because a lot of people are coming into China now for the first time, overseas Chinese in particular as well as people from the outside.

But I would say that the area of contention here has been Romania, in connection with the allegations of slowness in implementing the provisions of their emigration laws. That is improving, and I want to commend the new Ambassador, Mr. Malitza, for the efforts that he has been making. There has been real progress. If you noted in my statement, as many people have left Romania for this country in about the first 6 or 7 months as did in all of last year.

Senator BRADLEY. Are you concerned at all about the allegations of harassment in Romania of the Hungarian minority?

Senator JACKSON. Yes, I am concerned about all of that, and that I addressed in my statement. I referred to harassment that takes place—it's the old, old story—once you apply you may run into (a) delays, (b) harassment. But I do see from a year ago definite indications of improvement in those procedures and attitudes.

Senator BRADLEY. Thank you, Mr. Chairman.

Senator JACKSON. That is why, Senator Bradley, I think the work of this committee is very, very important and very useful, and indeed effective.

Senator DANFORTH. Senator Jackson, thank you very much.

Senator JACKSON. Thank you, Mr. Chairman.

[The prepared statement of Senator Jackson follows:]

SENATOR
JACKSON / *News*

U.S. Senator Henry M. Jackson of Washington (202) 224-9378

JACKSON-VANIK WAIVER AUTHORITY EXTENSION -- ROMANIA, HUNGARY, CHINA

Testimony By Senator Henry M. Jackson

Subcommittee on International Trade
Senate Finance Committee

Tuesday, August 10, 1982, 9:30 A.M.

Mr. Chairman: I appreciate this opportunity to record my support for the President's recommendation for a further extension of the general waiver authority conferred by Section 402 (c) of the Trade Act of 1974, and for the continuation of the waivers applicable to the Socialist Republic of Romania, the Hungarian People's Republic, and the People's Republic of China.

* * * *

As you are aware, Mr. Chairman, Section 402 of the Trade Act of 1974 (The Jackson-Vanik amendment) is an historic effort to encourage respect for the fundamental human right to emigrate -- what has been aptly called "the life-saving right of last resort." As the law of the land, Section 402 prohibits MFN treatment and government credits to non-market countries until those governments explicitly and clearly commit themselves to freer emigration policies and practices.

I remind you that the obligation to respect the right to emigrate has been freely undertaken by the signatories of the Declaration of Human Rights, the International Covenants on Human Rights and the Helsinki Accords. Indeed, in voluntarily joining in these international agreements, THE SOVIET UNION, TOO, COMMITTED ITSELF TO RESPECT THE RIGHT OF A PERSON TO CHOOSE HIS COUNTRY OF RESIDENCE.

TO URGE A NATION TO LIVE UP TO ITS FREELY ASSUMED COMMITMENTS IS NOT INTERVENTION IN THEIR INTERNAL AFFAIRS. IT IS PRECISELY IN THE NAME OF THE VOLUNTARILY ACCEPTED OBLIGATION OF A NATION UNDER INTERNATIONAL LAW THAT WE ASK IT TO RESPECT THE RIGHT TO EMIGRATE.

TENS OF THOUSANDS OF PEOPLE -- CHRISTIANS, JEWS AND OTHERS -- HAVE BEEN ABLE TO EMIGRATE BECAUSE OF THE JACKSON-VANIK AMENDMENT. FOR THOUSANDS OF OTHERS WHO WANT TO EMIGRATE, THE AMENDMENT IS STILL THEIR PRINCIPAL HOPE. ITS PROVISIONS CONSTITUTE INDISPENSABLE LEVERAGE IN THE ONGOING BARGAINING FOR FREER EMIGRATION.

MR. CHAIRMAN, I WELCOME THE ADMINISTRATION'S RECOMMENDATION TO FURTHER EXTEND THE GENERAL WAIVER AUTHORITY PROVIDED BY SECTION 402 (c). THAT AUTHORITY HAS MADE IT POSSIBLE TO REACH AND MAINTAIN BILATERAL TRADE AGREEMENTS WITH ROMANIA, HUNGARY, AND THE PEOPLE'S REPUBLIC OF CHINA. BEYOND THAT, A CONTINUATION OF THAT AUTHORITY KEEPS THE DOOR OPEN TO THE EXPANSION OF OUR BILATERAL TRADE RELATIONS WITH OTHER NON-MARKET COUNTRIES, AS FAVORABLE CHANCES MAY ARISE.

I WANT TO SPEAK BRIEFLY ON THE CONTINUATION OF THE WAIVERS FOR CHINA AND ROMANIA.

* * * *

AS THE MEMBERS OF YOUR COMMITTEE KNOW, THE CHINESE-AMERICAN RELATIONSHIP HAS COME A LONG WAY, AND IS TODAY COMPREHENSIVE AND COMPLEX. CHINA'S LEADERS EXPLICITLY RECOGNIZE SHARED AND PARALLEL INTERESTS WITH US, AND OUR NATO ALLIES, AND JAPAN. THEY ARE PLAYING A KEY STRATEGIC ROLE IN WORLD AFFAIRS, INCLUDING THE EFFORT TO DETER SOVIET EXPANSION IN SOUTHEAST AND SOUTH ASIA.

The truth is we Americans have an important stake in the continuing existence of an independent, strong China. Our cooperation with the People's Republic in its drive to become a modern industrial state and to work with her leaders where our strategic and bilateral concerns run parallel are in American as well as Chinese interests.

As this Committee knows, I strongly advocated the U.S.-China trade agreement providing for the extension of most-favored-nation treatment and access to official credits. It has laid the basis for the significant increase of trade and financial ties between our two countries, with substantial mutual benefits. It gives United States firms a better position to compete with firms from other nations.

Moreover, the PRC chose cooperation with us in providing the assurances regarding its future emigration practices called for as a condition of the waiver of Jackson-Vanik. And this cooperation is enhancing the personal liberty for many Chinese wishing to emigrate or visit or study abroad and contributing to the economic advance of the Chinese people. As reported by the Administration, U.S. Foreign Service posts in China issued 6,920 immigrant visas in FY 1981, and over 15,293 non-immigrant visas for business, study and family visits. More than 8,000 Chinese are now in the United States for long-term study and research.

* * * *

With respect to Romania, I wish to underline the continuing American interest in a vigorous, politically effective Romania, able to act independently on key foreign policy issues. Romania and the United States share mutual and parallel interests on many international matters. There are numerous tasks on which we can work together. It serves our national interest to hearten and encourage Romania to exercise its right as a sovereign state to greater freedom in the face of Kremlin political-diplomatic pressures and dominant Soviet military power.

Romania was the first country to cooperate with us in accepting the terms of the Jackson-Vanik amendment as one of the bases of increased trade with the United States. In reviewing the record, I note that in 1981 about 2,400 persons emigrated from Romania to this country, close to six times the pre-MFN level of emigration. I also note that approvals to leave Romania to come to this country in the first seven months of 1982 are about 2,238 which approaches the level of annual approvals for the last four full years (1978-1981).

American concern this year has centered particularly on the lag in Romanian emigration to Israel. As you know, Mr. Chairman, the Romanian government has been pressed from many quarters to take this concern seriously and has recently solved many of the difficult cases, including longer-term hardship cases. Mr. Jack Spitzer, President of B'nai B'rith, is scheduled to visit Bucharest in September to discuss with the responsible institutions, as Ambassador Malitza puts it, "new ways to further clarify, simplify and expedite" the procedures for emigration from Romania to Israel.

In talks with Romanian officials this year, I have particularly urged them to streamline the Romanian emigration process so that applications are handled expeditiously and adjudicated promptly, and all harassment of applicants avoided.

In an August 2 letter to me from Ambassador Malitza he gives this assurance:

> ". . . there is a firm desire of the Romanian Government to make further progress in the field of procedures of emigration, including the question of reducing the time period required for processing the applications.
>
> "At the same time, the Romanian authorities reaffirm their position of not subjecting the persons tendering applications for emigration to discriminations and are determined to take the necessary steps in order to have this policy strictly implemented."

I WELCOME THIS ASSURANCE AND WANT AMBASSADOR MALITZA TO KNOW THAT I PERSONALLY APPRECIATE HIS CONSTRUCTIVE EFFORTS TO RESPOND TO THE CONCERNS WHICH HAVE ARISEN.

MR. CHAIRMAN, I AM PERSUADED THAT THE ANNUAL REVIEW PROCEDURE UNDER SECTION 402 -- INCLUDING THE ANNUAL HEARINGS IN THE HOUSE AND SENATE -- HAS AGAIN PROVED ITS IMPORTANCE IN IMPLEMENTING THE INTENT AND PURPOSE OF THE JACKSON-VANIK AMENDMENT.

I ALSO BELIEVE THAT CONTINUATION OF THE WAIVER FOR ROMANIA WILL GIVE US THE CONTEXT IN WHICH TO CONTINUE TO COOPERATE WITH THE ROMANIAN GOVERNMENT IN THESE MATTERS OF MUTUAL CONCERN.

* * * *

I WANT TO THANK YOU, MR. CHAIRMAN, FOR THE OPPORTUNITY TO PRESENT THIS TESTIMONY TO YOUR COMMITTEE THIS MORNING.

Senator **DANFORTH**. The next witnesses are Raymond Waldmann, Assistant Secretary of Commerce; and John Scanlan, Deputy Assistant Secretary of State.

Mr. Waldmann, please proceed.

STATEMENT OF RAYMOND J. WALDMANN, ASSISTANT SECRETARY OF COMMERCE FOR INTERNATIONAL ECONOMIC POLICY

Mr. **WALDMANN**. Thank you, Senator.

I am pleased to appear before you today to support the President's recommendation to extend his general waiver authority under section 402 of the Trade Act, as well as specific waivers for Romania, Hungary, and China. I have a full statement that I ask be included in the record, and a brief summary which I would like to present at this time.

Senator **DANFORTH**. Fine.

Mr. **WALDMANN**. I am prepared to testify today principally on the commercial and economic aspects of the extension of MFN for Romania, Hungary, and China. My colleague from the Department of State will address the questions of the emigration performance of these countries under section 402.

MFN status is the cornerstone of our bilateral trade relations with Romania, Hungary, and China. MFN and the associated bilateral trade agreements have created new commercial opportunities for U.S. firms and more jobs for American workers. In 1981 the United States exported over $4 billion worth of U.S. products to these countries.

I know that Romanian emigration is the principal concern of the committee today. Though my colleague from the Department of State will be addressing this question in detail, I would like to make a few comments from the perspective of the Commerce Department.

While we fully support the administration's position to extend MFN to Romania for another year, we share the President's concern as well as that expressed by Members of Congress regarding Romanian emigration procedures and performance.

We have conveyed frequently these concerns to the Romanian government. Secretary Baldrige discussed them recently with Romanian Foreign Trade Minister Constantin. Members of the American business community have also stressed the need for improved emigration performance if MFN is to continue.

We believe that significant progress has been made recently toward meeting these concerns. The Romanian government has provided assurances regarding improved emigration procedures. It has organized meetings with American Jewish organizations, and it has acted on cases of particular concern. We are encouraged by the Romanian government's responsiveness, and we believe that with the continuation of MFN for another year further progress can be achieved. The Romanian government understands that unless significant improvements occur its MFN renewal for 1983 will be in serious jeopardy.

Denial of MFN to Romania would jeopardize the promised improvements and would severely damage our bilateral commercial relations. United States-Romanian trade would be greatly reduced, and important export markets developed by U.S. firms through years of effort would be quickly lost. In 1980, U.S. exports to Romania exceeded those to countries such as Algeria, Austria, Finland, New Zealand, and Turkey. Also, it would be more difficult for Romania to earn the hard currency needed to repay the U.S. Government, private banks, and commercial suppliers for past credits.

With the denial of MFN the United States would lose quickly its position as Romania's second-largest Western trading partner. We would force Romania to look back to the Soviet Union, and thus undermine our broader interest in encouraging economic diversity and independence in Eastern Europe.

Also of concern this year is Romania's serious economic and financial situation, particularly its $11 billion international debt. Romania has now taken steps to deal with its financial difficulties and to bring stability to its economy. Romania renegotiated its IMF stabilization loan and held extensive discussions with banks and other creditors regarding the rescheduling of its private debt.

On July 28 Romania reached agreement with its Western government creditors to reschedule its official debt. Romania has also reduced its imports, curtailed investment in heavy industry, introduced new incentives to increase agricultural output, and restructured its internal energy prices.

With respect to Hungary, I am pleased to report that substantial progress has been achieved in the dispute between a U.S. agrochemical firm and several Hungarian companies. The parties have a few technical matters to resolve, but for all intents and purposes a mutually satisfactory agreement has been reached. Through the United States-Hungarian Joint Economic and Commercial Committee we will continue to monitor such patent issues with Hungary to insure that the industrial property rights of U.S. firms are protected.

In our trade relations with China, the past year has seen a predictable leveling off of the initial dramatic growth that followed normalization. However, while the rate of growth has slowed, the absolute volume of bilateral trade and the level of commercial contacts continue to increase. The continued extension of MFN status for China is a key element in our effort to build a stable and expanding trade and investment relationship with China and is vital to promoting our overall bilateral ties.

In conclusion, MFN status for Romania, Hungary, and China has served U.S. economic interests well and should continue to do so in the future. We strongly support its continuation for another year.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Raymond Waldmann follows:]

STATEMENT OF RAYMOND J. WALDMANN ASSISTANT SECRETARY OF COMMERCE FOR INTERNATIONAL ECONOMIC POLICY BEFORE THE SUBCOMMITTEE ON INTERNATIONAL TRADE OF THE SENATE FINANCE COMMITTEE

AUGUST 10, 1982

Mr. Chairman,

I am pleased to appear before this subcommittee today to support the President's recommendation to extend his general waiver authority under Section 402(c) of the Trade Act and the specific waivers for Romania, Hungary, and China under Section 402(d)(5) of the Act.

Extension of the waivers permits continuation of Most-Favored-Nation (MFN) tariff treatment for these countries for 12 months and promotes the objectives of Section 402 of the Trade Act regarding freedom of emigration.

In addition, extension of the waivers is strongly in our commercial interest. The extension of MFN treatment is the cornerstone of our bilateral trade relations with Romania, Hungary, and China. MFN and the associated trade agreements have created new and valuable commercial opportunities for U.S. firms and jobs for American workers, thereby making a contribution to the strength of our economy.

Moreover, the extension of MFN has furthered the important objective of bringing these three countries more fully into the international trading system and ensuring their adherence to the rules and customs of the system. Extension of the waivers demonstrates also our continuing support for the development of bilateral trade and the strengthening of our overall economic and political relations with Romania, Hungary, and China.

MFN status for Romania, Hungary, and China has been of fundamental importance in our trade relations and to the growth of U.S. trade. Our overall trade with these countries has increased over 50 per cent since they were granted MFN status. In 1981, the U.S. conducted nearly $7 billion in total trade and exported over $4 billion worth of U.S. products to these markets.

With MFN, our companies can compete on an equal footing with their international competitors; without MFN, the U.S. would likely become a supplier of last resort. Furthermore, our commercial relations have not only expanded but have also intensified, with many American firms involved in cooperation and joint ventures with Romanian, Hungarian, and Chinese enterprises.

As the agency most involved in safeguarding U.S. trade and commercial interests, the Department of Commerce monitors trade with these countries and enforces import and export regulations. When U.S. industry has been sensitive to foreign imports and questions of market disruption and dumping have been raised, Commerce has used informal consultations, bilateral agreements, or direct application of Government regulations.

It has been the experience of the Commerce Department that Romania, Hungary, and China have heeded our laws and honored their agreements. While we do have some problems with these countries, partly due the complex trade relationships we have attained, we consider our trade relations of significant value and of benefit to all partners.

EMIGRATION

At this point, I wish to state for the record that the Department of Commerce fully endorses the views on emigration expressed here today by my colleague from the Department of State.

I know that Romanian emigration is the principal concern of the Committee today. Though my colleague from the Department of State will be addressing this question in detail, I would like to make a few comments from the perspective of the Commerce Department.

While we fully support the Administration position to extend MFN to Romania for another year, we share the President's concern, as well as that expressed by Members of Congress, regarding Romanian emigration procedures and performance. We have conveyed frequently these concerns to the Romanian Government. Secretary Baldrige discussed them recently with Romanian Foreign Trade Minister Constantin. Members of the American business community have also stressed the need for improved emigration performance if MFN is to continue.

In his June 2, 1982 recommendation to the Congress that extension of MFN be continued, President Reagan stated his grave concern regarding both the failure of the Romanian Government to improve its repressive emigration procedures as well as the decrease in Romanian emigration to Israel. He stated that unless a noticeable improvement in its emigration procedures takes place and the rate of Jewish emigration to Israel increases significantly, Romania's MFN renewal for 1983 will be in serious jeopardy.

The President's statement and the strong expressions of concern by Members of Congress have sent a sharp warning to the Romanian Government. The Department of Commerce concurs with the views expressed by my colleague from the State Department today that significant progress has been made recently toward meeting these concerns. The Romanian Government has now provided assurances regarding improved emigration procedures, has organized meetings with American Jewish organizations, and has acted on cases of particular concern. We are encouraged by these assurances and we believe that with the continuation of MFN for another year further progress can be achieved.

Denial of MFN to Romania would jeopardize the promised improvements and would severely damage our bilateral commercial relations. U.S.-Romanian trade would be greatly reduced and important export markets developed by U.S. firms through years of effort would be quickly lost. In 1980, U.S. exports to Romania exceeded those to countries such as Algeria, Austria, Finland, New Zealand and Turkey. Also, it would be more difficult for Romania to earn the hard currency needed to repay the U.S. Government, private banks and commercial suppliers for past credits.

With the denial of MFN, the U.S. would lose quickly its position as Romania's second largest Western trading partner. We would force Romania to look back to the Soviet Union and thus undermine our broader interest in encouraging economic diversity and independence in Eastern Europe.

U.S.-ROMANIAN TRADE TRENDS

U.S.-Romanian trade turnover edged up to a new high of $1.064 billion in 1981. U.S. exports declined from $720 million in 1980 to $504 million last year, while U.S. imports increased from $312 million to $560 million (See Table 1). Significant amounts of U.S. exports are transshipped to Romania through third countries and are not reflected in U.S. data. According to Romanian data, trade turnover in 1981 was $1.336 billion: $856 million in U.S. exports and $480 million in U.S. imports.

The decline in U.S. exports from 1980 to 1981 was primarily in energy, raw materials, and machinery. For example, exports of bituminous coal fell from $61.2 million in 1980 to $40.9 million in 1981. Most agricultural exports also fell, although less substantially. Exports of certain items, such as corn and animal fodder, registered significant growth. U.S. manufactured goods exports to Romania in 1981 consisted primarily of office machines, measurement and control instruments, tractor parts, and machinery for welding and soldering. (See Table 3).

The dramatic increase in U.S. imports from Romania from 1980 to 1981 included notable growth in imports of processed petroleum products and of carbon steel plate (CSP), the latter of which grew from $12 million in 1980 to $87.8 million in 1981. Romanian CSP exports are currently the subject of a U.S. anti-dumping investigation. (See Table 4).

Romania's current financial situation severely limits the prospects for U.S. exports for the short term. Romania has fared poorly in the changing structure of international trade in recent years. The country has become a heavy importer of oil in a period of sharp world energy price increases, causing an additional burden on its balance of payments. In mid-1981, Romania encountered a very difficult short-term liquidity situation, which resulted in its requesting a rescheduling of external debt. The United States, along with 14 other creditor governments, agreed on July 28 to reschedule $400 million of Romania's debt service coming due in 1982. Of this amount, $50 million is being rescheduled by the U.S. Government.

In response to the debt situation and the difficulty it has encountered obtaining credits, Romania has taken steps to control hard-currency expenditures. Outlays will be curtailed sharply in the next few years as the Romanian Government tries to reduce its total foreign debt. Under an IMF-endorsed stabilization program, foreign trade activities will continue to be reorganized. Domestic investment is being concentrated on projects already started, but not completed, in previous annual plans.

Romania went from Column II tariff treatment to non-discriminatory tariff treatment in August 1975, and then, with respect to a limited number of commodities, to preferential tariff status under GSP commencing in January 1976. The principal effect of granting MFN and GSP to Romania has been a rapid growth and development in our trade. The United States has become Romania's second leading trade partner in the West, after West Germany.

In 1981, all but one of the top fifteen Romanian exports (the list headed by gasoline, iron and steel plates, and lubricating oils) benefited substantially from MFN tariff status. For those products, which accounted for 77.8 per cent of Romania's total exports to the U.S., non-MFN tariffs were two to six times the MFN tariff levels.

Some of the top imports affected by the lower MFN tariff rates, such as textiles and footwear, are in areas where U.S. industry is sensitive to foreign imports. Romania, however, accounts for an extremely small percentage of total U.S. imports in any of these categories. Whenever potential market disruption questions have arisen, they have been resolved through either informal consultations or bilateral agreements by which Romania's exports were either restrained or established at mutually agreed upon levels.

As a developing country, Romania has made use of the Generalized System of Preferences (GSP) program. In 1981, Romania exported to the U.S. approximately $108.5 million in products which were eligible for GSP. Of the top ten U.S. imports from Romania, railway vehicles and parts benefitted from GSP treatment.

STATUS OF TRADE RELATIONS WITH ROMANIA

The expansion of our commercial relations in recent years can be attributed, in part, to the efforts of both governments to create a sound framework and favorable atmosphere for the development of trade and economic cooperation. Romania has made efforts to integrate its economy in the world economic system and to make its foreign trade system responsive to Western business needs.

Romania is currently a member of the General Agreement on Tariffs and Trade (GATT), the International Monetary Fund (IMF), and the World Bank (IBRD). Participation in these and other international economic organizations has helped to facilitate Romania's efforts to diversify its trade outside of the COMECON countries. In 1980, approximately 60 percent of Romania's trade was with non-communist nations.

Romania also has passed progressive legislation which allows foreign equity ownership in joint companies with Romanian partners and which permits U.S. and other Western firms to open representation offices in Romania. At present 32 U.S. firms or their European subsidiaries have representation offices in Romania. One American company has formed a joint company with a Romanian partner in Bucharest and numerous other companies have engaged in cooperation activities. Romania maintains commercial offices in New York, Chicago, Los Angeles, Houston, and Atlanta.

Several institutions have been created to monitor and guide the development of bilateral trade. Since its founding in 1973, the Joint American-Romanian Economic Commission has met annually to review bilateral economic and commercial relations and to discuss and resolve trade problems. The Commission's work has been supported by numerous working groups.

The Commission met for its Eighth Session in Washington (June 28-29) and was co-chaired by Commerce Secretary Baldrige and Romanian Foreign Trade Minister Constantin. Topics discussed included: current economic conditions impeding the further development of U.S.-Romanian trade; Romania's efforts to resolve its international financial problems; annual renewal of MFN status; the status of U.S. Government-supported trade credits; the problem of payments due to suppliers in both countries; provisions of Romania's patent law; Romanian petitions for coverage of additional products under the U.S. Generalized System of Preferences (GSP); import and export policy questions; and business facilitation matters.

Both governments strongly support the work of the Romanian-U.S. Economic Council, which facilitates increased contact between U.S. firms and Romanian companies and economic organizations and is helping to develop further our trade relations. The Council has been active since its founding in 1973 and will meet for its Ninth Plenary Session this fall in Romania. We look forward to the Council's important and continuing efforts to expand commerce between our two countries.

The United States has taken steps to support the growth of U.S. exports to Romania. Since November 1971, Romania has been eligible for trade financing programs of the Export-Import Bank of the United States (except for a short period of suspended activity from January to August, 1975). Similiarly, since 1970 the Commodity Credit Corporation (CCC) has played an important role in the export of U.S. agricultural commodities to Romania. Due to the uncertainty of Romania's creditworthiness while debt rescheduling is being worked out, U.S. Government credit agencies are temporarily not authorizing credits for Romania.

High-level visits have maintained a continuing dialogue between our two countries. During the past 14 months such visits have included those of: Secretary of Commerce Baldrige (May 1981) and Secretary of State Haig (February 1982) to Romania; and of Deputy Foreign Trade Minister Ardare (July 1981), Finance Minister Gigea (October 1981), Machine Building Minister Avram (November 1981), Foreign Minister Andrei (June 1982) and Foreign Trade Minister Constantin (June 1982) to the United States.

U.S.-HUNGARIAN TRADE TRENDS

Analysis of U.S.-Hungarian trade trends is complicated by the significant amount of trade which is transshipped through third countries and is not reflected in U.S. trade data. Hungarian figures show imports from the United States for 1981 at $231 million, triple the U.S. figures of $77.5 million (see Table 9). Many Western countries face the same difficulty of accurately accounting for their trade with Hungary because of these transshipments. Both U.S. and Hungarian figures substantiate the favorable growth in trade since the reciprocal extension of MFN and reflect the strong role of manufactured goods in U.S.-Hungarian trade.

According to U.S. statistics, total U.S.-Hungarian trade has grown 24 per cent, from $166.6 million in 1978 to $206.1 million in 1981. Manufactured goods have benefited the most under non-discriminatory tariff treatment, rising from 46 per cent of total trade in 1978 to over 75 per cent in 1981. Agricultural trade has fluctuated over this period, with the U.S. averaging $28.6 million in exports to, and $34 million in imports from, Hungary (see Table 5).

Total U.S.-Hungarian trade increased 10 per cent last year, from $186.5 million in 1980 to $206 million in 1981. While U.S. exports have remained just under the $80 million level for the past three years, U.S. exports of manufactured goods have steadily risen from $44.8 million in 1978 to $63.5 million in 1981. Manufactured goods now represent over 80 per cent of U.S. exports to Hungary.

Hungarian foreign trade over the last several years has been affected by a deterioration in terms of trade, reduced growth. of material deliveries from the Soviet Union, and this past year, an increasingly worrisome Western debt. Due to the reluctance of Western banks to lend to Eastern Europe, Hungary faces serious difficulty in financing its foreign trade and servicing its hard currency debt, though recent membership in the IMF and the World Bank should improve its financial situation.

Current Hungarian trade strategy is to concentrate on expanding hard currency exports while restraining hard currency imports so as to manage Hungary's Western debt, estimated at $7.9 billion at yearend 1981. Hungary's efforts to achieve a more balanced trade will result in only limited gains in its standard of living and restrictions in investments.

We expect only limited growth in total U.S.-Hungarian trade for 1982, no more than a five percent increase over the 1981 levels. The composition of trade should remain the same with manufactured goods constituting the major share of trade (see Table 5).

Externally, long-term U.S.-Hungarian trade prospects will be determined by international economic trends. Internally, continued commitment by the Hungarian leadership to its economic reform program and increases in productivity will strongly influence Hungarian investments and import demand. Hungary plans to continue its economic reform program of market-oriented measures. To stimulate the competitiveness of enterprises, recent government regulations have consolidated and reduced the size of many Hungarian Ministries and encouraged the formation of small and medium-sized industrial enterprises. These measures complement Hungary's long-range program of decentralization and provide a more rational basis for the economy.

STATUS OF TRADE RELATIONS WITH HUNGARY

Since the signing of the U.S.-Hungarian Trade Agreement in 1978 both countries have worked to create a favorable climate for the development of trade and cooperation between our countries. By providing for reciprocal extension of MFN tariff treatment, overall trade has expanded and a supportive environment has been created in which to develop commercial contact between U.S. firms and Hungarian enterprises and organizations.

A strong institutional framework between the two countries has provided the foundation for our bilateral relations. The U.S.-Hungarian Trade Agreement, signed in July 1978, is the most important development in commercial relations between the two countries. It provides for reciprocal extension of Most-Favored-Nation (MFN) tariff treatment, contains market disruption safeguards, addresses business facilitation issues, and stipulates patent and copyright protection.

The U.S.-Hungarian Joint Economic and Commercial Committee was established in March 1979 as a government-to-government institution meeting annually to discuss bilateral trade prospects and provide a forum for the discussion of trade problems. The Joint Committee's Third Session in Budapest in May 1981 discussed patent protection for U.S. chemical companies, export licensing matters, industrial cooperation, and business facilitation issues. The next session of the Joint Committee will be held in the fall of 1982.

High level visits have been essential elements of U.S.-Hungarian trade relations. Last November, the Hungarian Foreign Trade Minister reviewed bilateral trade issues with senior U.S. Government officials in Washington. In May, Deputy Premier Jozsef Marjai visited the United States and met with U.S. Government officials, including President Reagan and Vice President Bush, and Congressional leaders. Both visits included discussions with leading U.S. business representatives.

In the private sector, the work of the Hungarian-U.S. Economic Council has been particularly valuable in promoting cooperation and contacts between key commercial decision-makers. The Seventh Plenary session of the Council took place this past October in Budapest and reviewed such issues as the Hungarian economy and investment, as well as foreign trade financing. The Council continues to make an important contribution to the expansion of commerce between our two countries.

American firms maintain a diversified presence in Hungary. Several companies have offices in Budapest and others have indicated an interest in establishing representation offices in Hungary. Over 60 companies are involved in some form of industrial cooperation, including Hyatt International which opened on June 19 its $68 million Budapest Atrium Hotel.

These efforts have promoted a hospitable commercial climate. Hungary permits the establishment and operation of offices with adequate office space, telecommunication services, and available local personnel. The Hungarian government has been one of the most forthcoming in Eastern Europe in providing economic and commercial information. Direct access for U.S. businessmen to Hungarian enterprises and foreign trade organizations is available with a minimum of delay.

The reduction of tariff barriers under MFN treatment has provided a strong impetus to bilateral trade and has created opportunities for U.S. firms such as Action Tungsram of New Jersey, the first production joint venture in the U.S. involving an Eastern European country. A 50 per cent reduction in tariffs for Hungarian buses under MFN treatment has been instrumental in expanding a major bus assembly facility, Crown Coach Corp., located in Southern California.

UPDATE OF PATENT ISSUE

During the annual review of MFN for Hungary last year, Congressional concern was shown for a commercial dispute between a U.S. and Hungarian company. Negotiations, facilitated by the Department of Commerce and the U.S. Embassy in Budapest, resulted last December in a preliminary commercial agreement with the parties that is very close to a final agreement.

Concerns in past years also have been voiced over patent interpretations and delays encountered by U.S. companies in obtaining patent protection. Through the U.S.-Hungarian Joint Economic and Commercial Committee and with the support of the National Agricultural Chemical Association (NACA), discussions have taken place aimed at minimizing patent difficulties encountered by U.S. firms in Hungary.

U.S.-CHINA TRADE TRENDS

Since diplomatic normalization in 1979 and the signing of the U.S.-China Trade Agreement in 1980, bilateral trade has expanded rapidly. Two-way trade which doubled in 1979 ($2.3 billion) more than doubled again in 1980 ($4.8 billion). In 1981, trade ($5.5 billion) grew more slowly (14.3 percent) compared to the 1980 level. This was due primarily to China's efforts to trim imports generally as part of its economic readjustment. Nevertheless, China last year ranked sixteenth among our export markets worldwide, and was our twentieth largest trading partner.

U.S. exports during 1981 declined slightly (4.0 percent) from 1980 levels (from $3.7 to $3.6 billion). U.S. imports from China on the other hand grew markedly last year (from $1.1 to $1.9 billion), accounting for 34.5 percent of two-way trade. The growth in imports reflects the overall improvement in bilateral relations and an increased emphasis by China on expanding its exports to hard currency markets. Despite the growth in imports from China, the U.S. registered a $1.7 billion surplus in 1981. Bilateral trade for the first six months of 1982 totalled $2.75 billion, a slight increase over the 1981 level ($2.74 billion) for that period.

The commodity composition of U.S.-China trade has also changed since normalization. Although U.S. exports to China are predominantly agricultural commodities, the share of non-agricultural goods in total trade has been increasing. By 1981, non-agricultural products had risen to 46 percent of U.S. exports to China, compared with 30 percent in 1978. Leading U.S. exports to China include synthetic fibers and resins, fertilizers, and measuring and controlling instruments (see Table 12). Leading U.S. imports from China include petroleum products, ores, nonferrous metals, textiles and apparel, and other light manufactures (See Table 13). Because Chinese exports to the U.S. tend to be concentrated in light manufactures considered to be economically sensitive domestically, the strong Chinese performance in these sectors has caused concern. In these cases, however, we believe that bilateral agreements, as in the case of textiles, and existing import protection mechanisms, including the escape clause, antidumping and countervailing duty statutes, are adequate to meet specific problems.

STATUS OF COMMERCIAL RELATIONS WITH CHINA

The institutional framework for normal trade relations was further expanded during the last year. In November 1981, the two countries signed a limited tax treaty covering airline and maritime earnings, and began negotiations for a comprehensive tax treaty. We are currently in the preliminary stages of discussions leading to possible negotiation of a bilateral investment treaty.

Our two countries have also maintained a dialogue on a broad range of political, economic, and cultural issues. In the economic and commercial area, this dialogue has been advanced through visits to both countries by high level government officials, working level commercial delegations, and by U.S. Congressional leaders concerned with trade. In February of this year, Assistant Secretary of Commerce for Export Administration Lawrence Brady visited China to open the U.S. Department of Commerce's Light Industry Exhibition. A U.S. Trade and Development (TDP) mission to China in June resulted in a signed contract between the TDP and the Ministry of Water Conservancy and Electric Power for a TDP-financed feasibility study for an important Chinese hydropower project.

In June, I met with officials in China to discuss their industrial development plans in the areas of petroleum, coal, hydropower, and electronics, all of which hold considerable potential for U.S. firms. I also had a series of very frank and useful discussions with Chinese patent and petroleum officials on issues of particular concern to U.S. firms. OPIC President Craig Nalen visited China during the same month to discuss OPIC programs. Under Secretary for Travel and Tourism Peter McCoy is currently in China to discuss tourism issues of concern to both the United States and China.

In 1981, a number of Chinese delegations also visited the United States. In September, representatives from the Shanghai Investment and Trust Corporation (SITCO) met with Department of Commerce officials to discuss investment opportunities for American companies in Shanghai. This was followed by a visit from representatives of the International Trade Research Institute of the Ministry of Foreign Trade to study market research techniques in the U.S.

During the past year, we have taken important new steps in our business assistance and market development programs, concentrating our efforts on the key Chinese energy sector. Last summer, the Department of Commerce sponsored a briefing on China's offshore oil development for senior executives of U.S. oil companies. We have since held frequent discussions with both U.S. company and Chinese officials to facilitate U.S. participation in this effort. In February of this year, the Department sponsored a National Light Industry Exhibition in Beijing which resulted in off-the-floor sales of $4.6 million and at least $5 million in potential sales. 83 U.S. firms participated. In the hydropower area, we have used the vehicle provided by the bilateral Hydropower Protocol under the Science and Technology Agreement to promote U.S. industry's participation in China's future hydropower projects.

We have also made considerable progress in improving the services and support that the U.S. Government provides American firms resident and travelling in China. In November, the President designated China as a country to be served by the Foreign Commercial Service (FCS) and last month we officially opened our new FCS offices in Beijing. We now have a Commercial Counselor and an FCS officer in Beijing and an FCS officer each in Shanghai and Guangzhou. Two additional officers will be assigned to Beijing later this summer. These three posts and our FCS officers in Hong Kong will focus their efforts on helping American businessmen and investors play a major role in China's modernization program..

For their part, the Chinese have taken measures to further improve the business climate for American firms in China. In addition to the joint venture law and the individual tax law published earlier, the Chinese issued detailed regulations for the joint venture law early this year. This was followed by the distribution of bidding documents, related laws and other materials to 40 international (21 U.S.) oil companies that have qualified to bid for the right to explore oil off China's Yellow and South China Seas. Prior to May 10, the Chinese had released to the firms laws, regulations and other information about the bidding procedure.

In a move to reassure potential investors, last month China's Foreign Investment Commission co-sponsored with UNIDO an investment promotion meeting in Guangzhou. The conference was attended by 400 foreign companies, including over 50 U.S. firms. In a departure from normal procedures, China provided detailed information on 130 specific projects. In addition, all of the Chinese organizations involved in economic decision-making were represented at the conference, allowing firms to obtain a more realistic view of the prospects for approval of these projects.

This new flexibility in dealing with potential foreign investors, and a more aggressive approach to soliciting foreign investment in China has yielded results. Chinese officials have announced that as of early 1982, 40 joint ventures with a total investment of $189 million have been approved. China has recently announced several additional significant contracts with foreign investors. In the largest potential joint venture to date, Occidental Petroleum Company's subsidiary, the Island Creek Coal Company, has signed a contract with the Ministry of Coal to provide a feasibility study for an open pit coal mine in North China. Also, a number of contracts have been signed between foreign and Chinese organizations to work together to supply goods and services in support for the offshore oil development program.

During the past year, we have made considerable progress toward building mutually beneficial commercial and economic ties with China. Much remains to be done, however, before the full potential of our relationship is realized. Mr. Chairman, the continued extension of MFN is a key element in our efforts to broaden and strengthen our commercial ties with China and I fully support the President's recommendation.

CONCLUSION

MFN status for Romania, Hungary, and China has served U.S. economic interests well and should continue to do so in the future. Extension of the waiver authority under Section 402 of the Trade Act for these countries is in our national interest. It will continue the development of our economic and commercial relations with these countries and support the expansion of our economic cooperation on a firm and enduring basis.

TABLE 1

VOLUME AND COMPOSITION OF U.S.-ROMANIAN TRADE
(Millions of Dollars)

US Exports	1979	1980	1981	Jan-Mar. 1981	Jan-Mar. 1982
Manufactured	100.3	134.4	51.7	20.2	20.7
Agricultural	336.5	462.6	368.4	151.0	56.6
Other	63.7	123.2	83.8	20.3	13.9
TOTAL	500.5	720.2	503.9	191.5	91.2

US Imports	1979	1980	1981	Jan-Mar. 1981	Jan-Mar. 1982
Manufactured	230.0	229.4	377.5	67.5	66.3
Agricultural	34.0	30.2	27.9	10.5	7.1
Other	65.6	52.6	154.7	29.7	17.5
TOTAL	329.6	312.2	560.1	107.7	90.9
TRADE TURNOVER	830.1	1032.4	1064.0	299.2	182.1
TRADE BALANCE	170.9	408.0	-56.2	83.8	.3

TABLE 2

U.S.-ROMANIAN TRADE
January-June 1981, 1982
(Millions of Dollars)

	Jan-June 1981	Jan-June 1982*
US Exports	383.1	174.4
US Imports	285.4	187.6
Trade Turnover	668.5	362.0
US Balance	+97.7	-13.2

* Most Recent Figures Available

TABLE 3

LEADING U.S. EXPORTS TO ROMANIA
1978-81
(Millions of Dollars)

1981 Rank	1978	1979	1980	1981
1. Corn or Maize	22.7	104.2	158.2	226.9
2. Animal feed	8.6	57.0	69.2	86.7
3. Bituminous coal	32.4	29.1	61.2	40.9
4. Sulfur	0.0	2.7	7.2	22.0
5. Cattle & horse hides	52.2	59.7	28.8	22.0
6. Soybeans	0.0	73.9	61.7	17.9
7. Wheat	0.0	12.6	89.1	8.4
8. Cigarettes	0.0	0.0	0.0	7.0
9. Phosphates	11.0	21.8	17.3	6.4
10. Spec. Industrial Machines	4.3	6.1	3.1	4.4
11. Tires	0.0	0.7	0.8	4.2
12. Parts of ADP & Calculating Machines	8.3	7.8	5.2	3.8
13. Wood Pulp	5.3	6.7	5.0	3.4
14. Measuring, Controlling Instruments	6.0	5.8	11.5	3.2
15. Parts for Road Vehicles and Tractors	0.0	2.5	4.0	3.2
SUBTOTAL	150.8	390.6	522.3	460.4
TOTAL EXPORTS	317.4	500.5	720.2	503.9

TABLE 4

LEADING U.S. IMPORTS FROM ROMANIA
1978-81
(Millions of Dollars)

1981 Rank	1978	1979	1980	1981
1. Petroleum Products, including Gasoline & Napthas	95.2	54.6	44.5	149.1
2. Iron & steel plates, Sheets	14.6	7.2	12.0	87.8
3. Iron or Steel Pipes, Tubes	12.2	6.7	10.1	39.6
4. Leather Footwear	35.2	41.1	41.6	39.3
5. Liquid Pumps	0.0	0.0	0.0	23.3
6. Railway Vehicles & Parts	0.0	19.7	30.4	21.9
7. Women's & Girls Outerwear	13.8	9.8	12.2	19.5
8. Furniture & Parts	11.3	14.5	15.7	18.4
9. Meat in Airtight Containers	21.7	25.2	19.5	17.2
10. Non-electric Mach. Parts	6.9	12.8	11.7	14.5
11. Glassware	8.9	12.8	12.5	14.4
12. Sweaters & Outerwear	10.4	8.9	6.1	12.4
13. Tractors, Agricultural	8.2	10.7	11.2	11.9
14. Lathes & Milling Machinery	4.5	7.8	8.0	9.5
15. Textile Floor Coverings	7.6	11.3	10.4	7.9
SUBTOTAL	250.5	243.1	245.9	486.7
TOTAL	346.6	329.3	312.2	560.1

TABLE 5

VOLUME AND COMPOSITION OF U.S.-HUNGARIAN TRADE
(Millions of Dollars)

US Exports	1979	1980	1981	Jan-Mar. 1981	Jan-Mar. 1982
Manufactured	52.4	54.0	63.5	21.9	18.6
Agricultural	24.5	24.4	12.9	1.8	2.5
Other	.7	.6	1.1	.3	.4
TOTAL	77.6	79.0	77.5	24.0	21.5

US Imports	1979	1980	1981	Jan-Mar. 1981	Jan-Mar. 1982
Manufactured	75.6	75.8	93.1	23.2	27.7
Agricultural	35.9	31.3	34.0	12.1	7.9
Other	.7	.4	1.5	.4	.1
TOTAL	112.2	107.5	128.6	35.7	35.7
TRADE TURNOVER	189.8	186.5	206.1	59.7	57.2
TRADE BALANCE	-34.6	-28.5	-51.1	-11.7	-14.2

TABLE 6

U.S.-HUNGARIAN TRADE
January-June 1981, 1982
(Millions of Dollars)

	Jan-June 1981	Jan-June 1982*
US Exports	43.0	37.7
US Imports	64.2	65.5
Trade Turnover	107.2	103.2
U.S. Balance	-21.2	-27.9

*Most Recent Figures Available

TABLE 7

LEADING U.S. EXPORTS TO HUNGARY
1978-81
(Millions of Dollars)

1981 Rank	1978	1979	1980	1981
1. Vehicle & Tractor Parts	5.5	4.1	7.9	7.4
2. Phosphatic Fertilizers	5.8	12.2	0.0	7.3
3. Soil Cultivation Machinery	10.9	3.6	3.3	4.2
4. Cotton	0.0	1 7	0.0	3.8
5. Specialized Industrial Machinery	0.5	1.0	0.0	3.5
6. Misc. Pharmaceuticals instruments	1.4	1.0	4.2	3.3
7. Cattle Hides	4.2	5.4	2.1	3.0
8. Measuring and Controlling Instruments	2.7	3.1	3.8	2.6
9. Glass Rods & Tubes	2.3	2.2	2.8	2.4
10. Harvesting Machinery	2.0	0.0	1.1	1.7
11. Internal Combustion Engines - Piston Type	0.0	0.0	.7	1.5
12. Agricultural Tractors	0.0	0.0	1.8	1.3
SUBTOTAL	35.3	34.3	27.7	42.0
TOTAL	97.7	77.6	79.0	77.5

TABLE 8

LEADING U.S. IMPORTS FROM HUNGARY
1978-81
(Millions of Dollars)

1981 Rank	1978	1979	1980	1981
1. Motor Vehicle and Tractor Parts	1.2	23.3	25.6	30.4
2. Canned Hams and Pork	26.3	23.2	22.8	23.6
3. Motor buses	0.0	0.0	0.0	10.0
4. Electric Lamps	5.9	8.3	8.2	9.8
5. Footwear	6.4	5.6	9.7	7.2
6. Men's & Boys' Outerwear	0.9	4.0	2.9	3.7
7. Misc. Organic Chemicals	0.8	6.7	2.4	3.6
8. Misc. Pharmaceuticals	3.9	1.5	2.4	2 2
9. Drilling & Milling Machines	0.5	1.2	0.8	2.2
10. Glassware	0.7	1.2	1.9	1.9
11. Rabbit Furskins	0.0	0.0	0.0	1.9
12. Typewriters	1.6	4.2	2.4	1.9
SUBTOTAL	48.2	79.2	79.1	98.4
TOTAL	68.5	112.2	107.5	128.6

TABLE 9

COMPARISON OF US AND HUNGARIAN STATISTICS FOR U.S. EXPORTS TO HUNGARY (1980 & 1981)

(BY SINGLE DIGIT SITC REVISED - IN MILLIONS OF DOLLARS)

	1980			1981		
Categories	U.S.	Hung.	Difference	U.S.	Hung.	Difference
0-Food & Live Animals	19.40	38.10	18.70	3.23	23.70	20.47
1-Beverages & Tobacco	0.42	0.80	0.38	0.00	1.30	1.30
2-Crude Materials except fuels	4.70	45.80	41.10	9.98	24.30	14.32
3-Mineral Fuels, Lubricants	0.02	0.50	0.48	0.02	5.70	5.50
4-Animal & vegatable oils	0.00	0.00	0.00	0.02	0.00	0.02
5-Chemicals	9.16	53.90	44.74	15.95	45.90	29.95
6-Manufactured Goods	11.18	19.80	8.00	8.66	21.30	12.64
7-Machinery & Transport Equip.	25.50	64.30	38.80	34.38	87.60	53.22
8-Misc. Manufactures	6.70	17.10	10.40	4.63	20.60	15.97
9-Items N/Class	0.30	0.70	0.40	0.65	0.90	0.25
Total	78.00	241.00	163.00	77.51	231.30	153.79

TABLE 10

VOLUME AND COMPOSITION OF U.S.-PRC TRADE, 1979-1982
(MILLIONS OF U.S. DOLLARS)

U.S. Exports	1979	1980	1981	Jan-Mar 1981	Jan-Mar 1982
Manufactured Goods	653.0	1,223.2	1,134.7	319.0	312.8
Agricultural Commodities	990.2	2,209.5	1,956.3	751.3	506.2
Other	73.3	316.3	507.6	112.9	85.5
Total	1,716.5	3,749.0	3,598.6	1,183.2	904.5
U.S. Imports					
Manufactured Goods	361.9	715.7	1,151.3	264.4	365.4
Agricultural Commodities	88.0	136.2	333.6	69.3	50.4
Other	142.4	206.4	410.4	46.7	140.8
Total	592.3	1,058.3	1,895.33	380.4	556.6
Trade Turnover	2,308.8	4,807.3	5,493.9	1,563.5	1,461.1
Trade Balance	+1,124.2	+2,690.7	+1,703.3	+ 802.8	+ 347.9

TABLE 11

U.S.-China Trade, Jan-June, 1981-82
(Millions of Dollars)

	Jan-June'81	Jan-June'82*
U.S. Exports	1,862.6	1,707.0
U.S. Imports	872.5	1,044.3
Trade Turnover	2,735.1	2,751.3
U.S. Balance	+ 990.1	+ 662.7

*Most recent data available.

TABLE 12

LEADING U.S. EXPORTS TO PRC, 1978-1981
(Millions of U.S. Dollars)

1981 Rank		1978	1979	1980	1981
1	Wheat	250.2	214.1	1093.3	1269.0
2	Cotton	157.3	357.0	701.3	464.0
3	Non-cellulosic Manmade Fibers	46.4	62.2	193.6	232.0
4	Yarn and Thread of Nylon, Polyester, etc.	1.3	27.8	62.6	188.5
5	Synthetic Resins	2.0	30.5	117.7	167.6
6	Soybeans	15.3	106.7	155.2	129.7
7	Hardwood Logs	-	-	41.4	89.2
8	Diammonium Phosphate Fertilizer	19.7	3.7	88.0	79.4
9	Non-cellulose Woven Fibers, Tire Fabrics	0.9	5.7	54.7	68.3
10	Wood Pulp	4.1	3.9	66.8	67.9
11	Corn	111.7	268.5	224.5	62.5
12	Measuring and Controlling Instruments	11.7	46.5	44.8	52.4
13	Kraft Paper and Paperboard	0.4	2.5	93.3	49.5
14	Pig and Kid Leather	NEGLIG	-	9.4	33.7
15	Soybean Oil	26.1	35.9	56.5	17.3
	Subtotal	647.1	1165.0	3003.1	3051.0
	Total U.S. Exports to the PRC	818.2	1716.5	3749.0	3598.6

Source: U.S. Census Bureau

TABLE 13

LEADING U.S. IMPORTS FROM CHINA, 1978-81
(Millions of U.S. Dollars)

1981		1978	1979	1980	1981
1	Petroleum Products	-	24.6	115.9	293.4
2	Oilseeds, nuts and kernels	.04	.02	.08	185.6
3	Outerwear Apparel-women's, girls', Infants' (not knit)	17.6	47.1	80.7	167.7
4	Woven Cotton Fabric	38.3	24.7	45.4	89.0
5	Misc. Manufactured Articles	20.3	23.9	49.8	86.5
6	Floor Coverings and Tapestries	13.6	22.0	49.4	66.8
7	Outer Garments, Men's and Boys' (not knit)	11.4	26.0	37.2	63.1
8	Made-up Articles of Textile Materials NSPF	6.2	10.5	28.1	57.2
9	Men's and Boys' Shirts and Undergarments, Women's, Girls' and Infants' Undergarments (not knit)	9.9	28.8	29.7	55.3
10	Sweaters & Other Outerwear Apparel (knit)	9.4	18.4	58.3	51.9
11	Nonferrous ores and concentrates	6.4	14.1	33.4	44.6
12	Footwear, New	3.4	18.4	24.0	41.9
13	Crude Animal Materials	34.2	21.1	37.8	36.5
14	Inorganic Chemicals and Compounds, NSPF	3.6	18.9	31.9	35.1
15	Prepared or Preserved Vegetables	1.6	2.0	20.5	34.6
16	Nonferrous Metals	2.3	8.3	25.0	33.6
17	Underwear (knit)	3.7	10.1	13.7	31.5
18	Artworks, Collectors' Pieces and Antiques	12.3	15.9	38.4	26.3
19	Explosives and Pyrotechnic Products	12.1	15.6	23.3	24.9
20	Organic Chemicals and Related Products	3.9	8.8	22.8	24.2
	Subtotal	210.2	351.2	765.3	1499.7
	Total U.S. Imports From the PRC	324.0	592.3	1058.3	1895.3

Source: U.S. Census Bureau

STATEMENT OF JOHN D. SCANLAN, DEPUTY ASSISTANT SECRETARY OF STATE FOR EUROPEAN AFFAIRS

Mr. SCANLAN. Mr. Chairman, I am pleased to appear again this year before your committee. I have a written statement which is approximately 20 minutes—too long to read—and I will just give an oral summary of that.

I would also like to point out that I am testifying on behalf of renewal of MFN for Romania and Hungary. I have here my colleague from the Department of State, Deputy Assistant Secretary of State Shoesmith, who is here to testify with regard to China, and he has submitted some written testimony.

Senator MOYNIHAN. Mr. Scanlan, I didn't quite hear you in your last remark.

Mr. SCANLAN. I said Deputy Assistant Secretary Shoesmith is here with regard to the question of renewal for China.

Senator MOYNIHAN. He is not on our list. The chairman may want to call him up.

Mr. SCANLAN. I would like to begin by placing the President's recommendation to renew most-favored-nation treatment for Romania and Hungary in the context of our overall policy toward Eastern Europe.

Seen from the outside, Eastern Europe is frequently and wrongly viewed as a monolithic bloc. The differences of history, geography, language, ethnic groupings, and culture which mark the nations of the region have never been submerged despite the imposition by outside force of an alien ideology. The countries of Eastern Europe have consistently sought in their own ways to assert their individual and independent characters, and the United States has always encouraged the aspirations of the Eastern European countries to pursue their national destinies.

Eastern Europe as a region is experiencing severe economic, political, and social tensions today. Our economic and political relations with the countries of Eastern Europe have become so intertwined that how we act toward these countries as they seek to resolve their pressing problems can have a significant impact, not just in the short term but in the years to come.

In pursuing our policy in Eastern Europe we are not unmindful of the many disagreements we have had and will continue to have with each of these countries, particularly concerning violations and abuses of human rights. However, our policies in Eastern Europe must also take into account the preponderent military and geostrategic forces which are working in the region to maintain the status quo as well as those forces working for change. In addition, our policy view must recognize that in order for us to have any positive impact we must have meaningful relations with the governments in the area. Our policies seek to deal with each country on its own merits and to improve relations with those countries which demonstrate both the desire and the ability to reciprocate. We expect, in turn, that the governments of Eastern Europe which want the benefits of good relations with the United States will seek to play a constructive role internationally, especially in meeting their human rights' commitments.

In this context, I would now like to make a few remarks about Romania and Hungary.

Romania faces one of its most serious economic crises since World War II, with a current international debt of $11 billion. It has been unable since late 1981 to obtain commercial credits to purchase agricultural and industrial products from the West and has been unable to find export markets for its own industrial goods.

Despite these problems, Romania continues to pursue a relatively independent foreign policy which at times diverges sharply from that of the Soviet Union, and it has continued to diversify its economic and trade relations—two tendencies which we strongly support.

The focus of today's hearings, however, is Romania's policy toward emigration. Our primary interest is in seeing that individual Romanians are permitted, when they desire to do so, to emigrate from their country, provided of course that there is another country prepared to accept them. Our policy on this issue is not tied solely to numbers, although numbers cannot be overlooked.

Emigration to the United States has increased substantially since the 1-year waiver of the provisions of the Jackson-Vanik amendment first went into effect in 1975. In 1981, 2,352 Romanians came to the United States, a number six times greater than in 1974. The number of approvals issued by the Romanian Government for Romanian citizens desiring to emigrate to the United States in the first 7 months of this year exceeds the total number of approvals for all of 1981.

The same improved pattern of approvals for Romanian Jews wishing to emigrate to Israel can also be seen: In 1981, 1,102; in 1982, the first 7 months, 1,228.

Despite these increases, problems remain. The Romanian emigration procedures are too long, cumbersome, and complicated. Following our repeated urgings, I am pleased to report, the Romanian Ambassador to the United States has now given assurances to us and to major American Jewish groups that his government is prepared to enter discussions promptly to find ways to improve the emigration process. We welcome this constructive response to our concern.

I would like now to comment briefly on human rights issues, particularly as they relate to the treatment of religious groups in Romania. The Department of State is sharply aware of the charges and complaints which have been brought against the Romanian Government in this area. When the facts justify it, we have not hesitated to raise human rights cases with the Romanian Government.

For example, largely as a result of our efforts stretching over several months, 11 Romanian citizens jailed for Bible smuggling, as has been noted earlier here today, have recently been released from prison. We believe that we were able to intercede successfully on behalf of those concerned because of the essentially constructive relationship which we have developed with Romania over the past 15 to 18 years and because of the process that we are engaged in today. A central feature of that relationship, of course, has been this process of the extension of MFN of tariff status. Without it, we would not have been able to discuss the resolution of problem emigration in human rights cases in a successful way.

Turning to Hungary, our bilateral relationship continues to reflect steady improvement, our political dialog with Hungary has expanded, and we have seen progress this past year in economic, cultural, and narcotics-control cooperation. An active exchange of private and official visitors contributes demonstrably to improved understandings on both sides.

Hungary has recently hosted on official visits Members of the Senate, a group of religious leaders, and former President Nixon. In mid-May, Hungarian Deputy Prime Minister Jozsef Marjai made an official visit to the United States.

Hungary's approach to emigration matters continues to be a cooperative one. The majority of Hungarians who apply for emigration receive permission to do so without undue difficulty. The more complicated cases may take some time to resolve, but our experience has been that persistence on the part of the intending emigrant usually results in a satisfactory outcome.

The extension of MFN in 1978 has been a significant positive factor in the development of U.S. trade and economic relations with Hungary. MFN tariff status removed the major impediments to growth of United States-Hungarian trade, and since 1978 our bilateral trade has grown substantially. Total trade turnover rose from $127 million in 1977 to $206 million in 1981. Hungary has responded positively to U.S. requests on certain nontariff barriers to trade and has formally adhered to many of the multilateral codes on nontariff trade barriers and to the international arrangements negotiated during the Tokyo round.

The administration strongly supports the continuation of most-favored-nation trade status for both Romania and Hungary.

Thank you very much.

[The prepared statements of Mr. Scanlan and Mr. Shoesmith follow:]

STATEMENT OF JOHN D. SCANLAN, DEPUTY ASSISTANT SECRETARY FOR EUROPEAN AFFAIRS, DEPARTMENT OF STATE BEFORE THE TRADE SUBCOMMITTEE OF THE SENATE FINANCE COMMITTEE AUGUST 10, 1982

Mr. Chairman, I am pleased to have this opportunity to join the panel of administration witnesses testifying on the President's recommendation to extend for one year his waiver authority under section 402 of the Trade Act of 1974 and to continue specific waivers permitting Most Favored Nation [MFN] treatment for Romania, Hungary, and China. My testimony will deal with the waivers for Romania and Hungary, while my State Department colleague, Mr. Shoesmith, will address the waiver for China.

I would like to begin, Mr. Chairman, by placing the President's recommendation to renew MFN treatment for Romania and Hungary in the context of our overall policy toward Eastern Europe.

Eastern Europe, seen from the outside, is frequently--and wrongly--viewed as a monolithic bloc. The great differences of history, geography, ethnic groupings, language and culture which mark the nations of Eastern Europe have never been submerged despite the imposition by force from without of an alien ideology. The countries of Eastern Europe have consistently sought to assert their independent characters. Repeatedly they have found ways, internally and in their foreign relations, to express their own national identities in the face of strong pressures to conform.

The United States has always encouraged the natural aspirations of the countries of Eastern Europe to pursue their own national destinies.

Eastern Europe today is experiencing severe economic, political and social tensions. The severe energy constraints and growing financial problems have resulted in a serious slowdown in agricultural production in many countries and a deepening of their inability to meet consumer demands in both the industrial and agricultural sectors. The focus of economic policy in the most severely affected Eastern European countries must now be aimed at bringing foreign debt levels under control, and directed systemic reform of their economies is required if they are to avoid even more grievous economic dislocations in the future.

In pursing our policies in Eastern Europe we have not been unmindful of the many disagreements we have with the countries of the area, and in particular we have not forgotten our commitment to speak out concerning the many violations and abuses of human rights in the region. Our policies in Eastern Europe do, however, take into account the diversity among the separate national entities and the forces for change as well as the forces striving to maintain the status quo. While we must recognize the military and geostrategic realities of the area as a whole, we seek to deal with each country on its own merits. We seek to improve relations with those individual governments which demonstrate both the desire and the ability to reciprocate. We also expect that the governments of Eastern European countries which desire the benefits of improved relations with the United States, particularly in the economic area, will play a constructive role in international affairs and be prepared to meet their international commitments in the human rights field.

Within that overall context, I will now turn to Romania and Hungary.

Over the past year Romania has faced one of its most serious economic crises since World War II. Its international debt rose to nearly $11 billion, of which nearly 40% was short term. In the face of this calamitous financial picture which coincided with the crisis in Poland, Romania has been unable to obtain commercial credits to purchase agricultural and industrial products from the U.S. and other Western countries. At the same time, it has been unable to find sufficently large markets for its industrial products. Domestically, as the result of poor harvests, strong pressure to export, and continuing problems with internal storage and distribution, the Romanian population is faced with severe shortages of many basic food items.

Despite these problems, Romania in 1981 continued to take positions different from those of the Soviet Union on a number of foreign policy issues and to demonstrate diversity in its trade and economic relations. Our policy has been to support Romania's efforts to maintain its economic autonomy and to encourage independence in its foreign policy and greater responsiveness on human rights and emigration, including the sensitive issue of family reunification.

In February, Secretary Haig emphasized during his visit to Bucharest the importance which we attach to our bilateral relationship with Romania. At that time he strongly urged the Romanian government to work closely with Western monetary institutions, both private and governmental, to work out a plan of action for dealing with its financial difficulties. In the months following, Romania renegotiated a stand-by stabilization loan with the International Monetary Fund [IMF] and has had intensive discussions with private banks and other suppliers of credit regarding private debt rescheduling. On July 28 Romanian officials signed an official debt rescheduling agreement with representatives of Western countries in Paris. Romania has also undertaken a series of measures designed to reduce imports, particularly energy related imports, and to reduce its balance of payments deficit. These moves are crucial if Romania is to begin the difficult task of economic stabilization necessary to meet its financial commitments to the West, and to maintain the economic base required to continue its relatively independence in foreign policy. We continue to support and encourage these efforts.

The primary focus of today's hearing is Romania's emigration performance, and whether the continuation of a waiver permitting MFN tariff treatment for Romania will substantially promote freer emigration in accordance with the spirit of the Trade Act of 1974. Although we welcome recent increases in the number of approvals granted by the Romanian Government to emigrants, our policy with respect to Romanian emigration is not tied solely to numbers. Our primary interest remains one of seeing that individual Romanians should be permitted to emigrate from their own country, provided there is another country which is prepared to accept them.

Emigration from Romania to the United States has increased substantially since the waiver first went into effect in 1975. In 1981, Romania authorized 2,358 people to emigrate to the United States--more than six times the total for 1974. Already in the first 6 months of 1982 over 1,336 Romanians have been issued visas to emigrate to the United States. According to Romanian Government figures, 2,322 have been approved to emigrate to the US during the first 7 months of this year. We expect that most of these approvals will have processed through our immigration procedures by the end of this year.

Despite the increase in overall numbers of emigrants to the United States, problems remain. The emigration procedure in Romania is still too long and complicated, and there continue to be indications of efforts to discourage and harass intending emigrants. These bureaucratically cumbersome emigration procedures are unfortunately typical for Romania's highly centralized Communist system of regulating the life of its citizens. Nonetheless, we continue to urge the Romanian Government to streamline the process. I am pleased to inform the members of the committee, however, that the Government of Romania, in response to our request, has agreed to discuss emigration procedures with Department officials with the goal of identifying and resolving problem areas. The Government of Romania has proposed that these discussions begin in September. We welcome the Romanian commitment to deal with these problems in a constructive manner and hope that these talks will resolve them as rapidly as possible, so that at the time of the next review we will be able to point to concrete improvements in emigration procedures and fewer human rights complaints.

I would like now to comment on the question of emigration to Israel. The members of this committee are, I know, familiar with the history of Jewish emigration from Romania to Israel. If you will permit me, Mr. Chairman, I would like to repeat for the record the fact that since World War II somewhere between 300,000 and 350,000 Romanian Jews--out of the approximately 450,000 who survived World War II--have emigrated to Israel. Over the past eleven years another 22,400 Romanian Jews have emigrated to Israel. The number of Jewish emigrants departing Romania has declined, however, since the early 1970's, averaging between 1,000 and 1,100 per year for the past 5 years. As you are aware, Mr. Chairman, one reason often put forward for this is the declining size and age structure of the Jewish Community. The exact size of the community is not known, but we do know that according to the census of the Chief Rabbi of Romania, the Jewish community as of December 31, 1981 totalled 32,100 persons. According to the Rabbi's figures, nearly 67% of those registered with him are over 50 years of age.

The administration's concern here is the same as it is with respect to emigration from Romania to any third country. We are not primarily concerned with meeting quotas or demanding that a specific number of individuals be permitted to depart each year. Instead, we believe that individuals accepted for immigration by the Government of Israel should be granted permission to emigrate from Romania without undue delay or difficulties. The understanding arrived at by the Government of Romania and representatives of a significant number of American Jewish organizations in 1979 provides a system for Romanian Jews to register their desire to emigrate with the Chief Rabbi of Romania. This understanding also provides an opportunity for the Israeli and U.S. Governments and concerned Jewish groups to monitor the emigration of those individuals who choose to take advantage of the process.

Complaints about the length of time required to obtain permission to emigrate from Romania to Israel were raised several months ago by representatives of the American Jewish organizations which had reached the initial understanding with the Romanian Government. The Romanian Government has responded with information indicating that a substantial percentage of the cases raised by the American Jewish organizations have been granted permission to emigrate. We understand the American Jewish communities' frustration with the length of time which is still seemingly required to process emigration applications. For that reason I am pleased to report that the Romanian Government has also agreed to meet with representatives of the American Jewish Community to seek ways to improve emigration procedures to Israel. The first meeting will be held tommorow, August 11. The Romanian Government has also invited the representatives of the American Jewish community to visit Bucharest for a second round of discussions on September 2. We welcome this further indication that the Government of Romania is prepared to work in a constructive manner to resolve outstanding problems.

This administration has sought to make it very clear to the Romanian Government that continued problems on this issue raise serious questions from concerned observers. If unresolved, such questions could lead to even greater difficulties in the future. We believe the Romanian Government understands this fully as it has demonstrated over the past several weeks by its response to the Department's and American Jewish community's requests to seek improvements in the emigration process and to resolve a number of difficult outstanding emigration cases. The rate of approval for Jewish emigration over the past several months has increased significantly, reaching 1,228 by the end of July, according to Romanian figures. If this rate of approval is maintained, and the discussions being entered into by the Romanians and the Jewish community prove productive, the length of time required for processing, and the size of "backlogs" on the Chief Rabbi's intending emigrant registration list, should be significantly reduced.

Let me turn now to Hungary. The U.S.-Hungarian bilateral relationship has continued to reflect steady improvement since the signing of the Agreement on Trade Relations in 1978. Our relations are notable for the constructive way in which we are able to discuss issues of mutual concern.

In the past year, the United States expanded its political dialogue with Hungary. We also saw progress in economic, cultural and narcotics control cooperation. The continuing, robust exchange of private and official visitors has contributed greatly to improved understanding on both sides. The Hungarians have recently hosted several important U.S. trade delegations, a group of distinguished religious leaders, and members of the House of Representatives and the Senate. In mid-May, Hungarian Deputy Prime Minister Jozsef Marjai, Hungary's third-ranking government official, made an official visit to the United States. Finally, I would note that earlier this year, Hungary also joined the International Monetary Fund and the World Bank. Although this decision is, of course, multilateral in character, it again demonstrates Hungary's intention to become a full partner in world trade and finance.

The Hungarians continue to take a positive and cooperative approach to emigration matters. The total number of Hungarians who seek to emigrate is not high, and the majority of Hungarians who do apply receive permission to emigrate without great difficulty or elapse of time. The more complicated cases may take some time to resolve, but our experience has shown that with reapplications and persistence on the part of the intending emigrant, a satisfactory outcome usually results. We follow the progress of problem cases closely, and make our concerns know to the Hungarian government at regular intervals. The favorable resolution of these cases is a high priority on our agenda of discussions with the Hungarian government.

Trade has become the cornerstone of our relations with Hungary. The extension of most-favored-nation tariff treatment (MFN) has been a significant positive factor in the development of U.S. trade and economic relations with Hungary. Since the implementation of the U.S.-Hungarian Trade Agreement in 1978, bilateral trade has increased substantially. Total trade turnover rose from $127 million in 1977 to $206 million in 1981. (MFN status was extended to Hungary in 1978). With the extension of MFN, the major impediments which previously affected the growth of U.S.-Hungarian trade have been removed. Hungary has become eligible for loans from the Export-Import Bank and credits from the Commodity Credit Corporation. The Administration, therefore, strongly supports the continuation of Hungary's (MFN) tariff status. Hungary, for its part, has agreed to reciprocal reductions in tariffs which will increase export opportunities for U.S. firms. In addition, Hungary has responded favorably to U.S. requests on certain non-tariff barriers to trade, and has formally adhered to many of the multilateral codes on non-tariff trade barriers and the international arrangements negotiated during the Tokyo Round.

Statement

of

Thomas P. Shoesmith

Deputy Assistant Secretary

for East Asian and Pacific Affairs

Department of State

before

Subcommittee on International Trade

of the Committee on Finance

August 10, 1982

Mr. Chairman:

I welcome this opportunity to testify before this subcommittee as part of an Administration panel supporting the President's recommendation to extend his general waiver authority under Section 402(c) of the Trade Act and to continue specific waivers permitting most favored nation (MFN) treatment for China, Romania, and Hungary. My testimony will address the waiver for China.

I would like to review briefly our trade and commercial relations wtih the People's Republic of China since normalization of relations. Since the establishment of diplomatic relations in 1979, U.S.-China economic relations have advanced dramatically. A broad series of economic agreements -- trade, grains, claims/assets, civil aviation and maritime affairs, textiles, Exim Bank loans, and investment guarantees -- have established a sound framework for the further development of economic contacts. Recently we signed a limited tax treaty covering airline and maritime earnings and now have begun negotiations for a comprehensive tax treaty. We have also laid the groundwork for negotiations leading to a bilateral investment treaty.

Recent trade figures illustrate the growing importance of our trade relationship with China. Two-way trade doubled between 1978 and 1979 and then doubled again in 1980. Last year it grew to $5.5 billion, with the U.S. enjoying a highly favorable $1.7 billion surplus. In terms of total value, the U.S. has become firmly entrenched as the PRC's number three trading partner.

U.S. agricultural sales to China soared to $2.3 billion in 1980 and were just under $2 billion in 1981. China has become our largest export market for wheat and our fourth largest agricultural market for total agricultural sales. U.S. wheat deliveries in 1981 alone were valued at $1.27 billion.

Opportunities for joint ventures are growing. The Chinese recently adopted a joint venture law that established a legal framework for such undertakings. Under the auspices of UNIDO, the Chinse have opened 130 joint venture projects to foreign participation.

At last count 80 American companies have established permanent offices in Beijing. Many companies with representatives in Hong Kong or Tokyo are also involved in frequent business discussions with the Chinese.

In addition, U.S. oil companies are preparing to play a large, possibly dominant, role in the exploration of the South China Sea's vast petroleum deposits.

However, as China's trade base expands and its economic readjustment policies take hold, the level of its international trade may grow more slowly over the next several years. For the United States, these changes, along with the leveling off of that initial spurt of trade growth which followed normalization, may result in a slower growth rate for U.S.-China trade. Yet, while the rate of expansion may be decreasing, the absolute volume of trade -- measured in billions of dollars -- is increasing. Bilateral trade should remain in our favor despite anticipated faster growth in Chinese exports to the U.S.

A stable and expanding trade and investment relationship between the U.S. and China contributes to strong cooperative ties across-the-board. Such ties are a key component in China's plans to modernize its economy with the help of Western goods and ideas. And, in the long run, a secure, stable and economically healthy China is an essential element for peace and stability in Asia.

China's determination to carry out its modernization plans with Western support has been accomplished by major actions to achieve liberalization in the areas of human rights and emigration.

In the past few years large numbers of political prisoners have been released from detention. Their number include nearly all of the Kuomintang prisoners, some of whom have been held since the 1950s. The last of these are due to be released in the near future.

Travel restrictions have been greatly relaxed for both emigrants and short-term travelers. There are now approximately 8,000 Chinese students and scholars in this country. This has expanded from less than 100 just three years ago. In addition, last year some 10,000 business visas were issued to Chinese citizens. Our China posts issued over 7,000 immigrant visas last year, over 2,000 more than the previous year. This number should increase substantially this year due to recent changes in our immigation law affecting the allocation of immigrant quota numbers for persons born in China. An additional 50,000 persons emigrate to Hong Kong each year. There are now over 90,000 Chinese with approved visa petitions waiting for their turn to immigrate to the U.S.

China's commitment to more liberal emigration is reflected in the Bilateral U.S.-China Consular Convention, which came into effect in February of this year. The notes accompanying the Convenion specifically encourage travel facilitation for the purpose of family reunification. In addition both countries agreed to facilitate family travel between the countries of those persons with simultaneous claims to the nationality of the United States and the People's Republic of China.

This is not to say that there are no problems. China is concerned about the potential brain drain and local officials are sometimes reluctant to issue passports to persons whose emigration might create gaps in modernization efforts. There is no evidence, however, that China has inhibited the emigration of those with legitimate family ties abroad, although many encounter delays in obtaining passports and exit permits.

The principal obstacle to increased China emigration remains the annual limitation imposed by our own immigration laws. In June 1982, applications for fifth preference immigration (siblings of U.S. citizens) stretched back to December 8, 1977, implying a waiting period for potential applicants in this category of over five years.

Trade is a fundamental component of China's modernization strategy and its opening to the West. Mutual benefit and Most Favored Nation treatment in all aspects of our trading relations are vital to continued expansion of our bilateral ties. The Administration strongly supports the continuation of MFN status for China as crucial to our foreign policy interests.

Senator **Danforth**. Gentlemen, thank you very much.

It is my understanding from your testimony that the position of the administration is that most-favored-nation status should be extended for an additional year for each of these three countries, that it does serve the interests of the United States for political and economic reasons, and also that it is your view that it would further the cause of human rights and free emigration for us to extend MFN for another year, and that it would not serve the cause of emigration and human rights at this time for us to deny that extension. Is that correct?

Mr. **Waldmann**. That is correct, Senator.

Mr. **Scanlan**. Yes, sir. You have stated the position of the administration clearly, precisely, and succinctly, Mr. Chairman.

Senator **Danforth**. Is the administration's position strongly held? Is there some doubt in the administration on the advisability of this waiver?

Mr. **Scanlan**. No, sir, Mr. Chairman. This is a clear position of the administration held by the administration.

Senator **Danforth**. And the administration believes that it would be a mistake for the Congress not to grant the extension?

Mr. **Scanlan**. That is correct.

Senator **Moynihan**. Mr. Chairman, this is a moment of unsurpassed clarity and decision in American foreign policy. It should not be allowed to go unnoticed. Thank you gentlemen very much. [Laughter.]

Senator **Danforth**. Senator Bradley?

Senator **Bradley**. Thank you, Mr. Chairman.

I would like to ask both of the witnesses if most-favored-nation status is granted again to these three countries, in particular to Romania and Hungary, to what extent do you think that this will result in an increase in trade, given the present liquidity crisis in Hungary and the present overindebtedness in Romania? We frequently take trade measures expecting that the result is going to be one thing, but then on actions we take on the financial side managed to prevent what we expect to occur from occurring.

Mr. **Waldmann**. Senator, I think you have identified some of the reasons why there has been a leveling off in the growth in trade with the Eastern European countries in general, and in particular with Romania and Hungary. We would foresee, however, that with the continued extension of MFN more U.S. companies will find market opportunities in the years ahead. I can't predict exactly how fast that trade is going to grow. It has grown in the past under the conditions of Jackson-Vanik and with the extension of MFN. We could foresee that progress continuing.

Senator **Bradley**. Do you see in this any contradiction with the President's rejection of Romania's request for U.S. agricultural commodities and support of those purchases?

Mr. **Waldmann**. Commodity credits?

Senator **Bradley**. Yes. They were revoked by the administration.

Mr. **Waldmann**. No. I think that these are really subject to different considerations.

Senator **Bradley**. What are those different considerations?

Mr. **Waldmann**. Well, when you look at the extension of credit, of course, you are looking at the ability to repay and the external debt situation. As we both pointed out, this is a critical time.

Senator **Bradley**. How would you characterize the external debt situation of the two countries?

Mr. **Waldmann**. Well, I think we both characterized Romania as being in extremely difficult economic times now. The external debt of $11 billion is extremely high. They have taken very strong measures to try to put their economic house in order, including a major shakeup in the Government and some other things which I referred to in my testimony.

I do not think that this will necessarily mean that there will be a dropping off of trade in 1982; in fact, we foresee a continuation at the same level as 1981.

Senator **Bradley**. Is it reasonable to assume that that external debt of $11 billion is too much for the Romanian economy to absorb? And, if so, what does that mean for our commercial banks, our Western commercial banks, that have nearly $7 to $8 billion of that debt? At what point do we face up to the issue of default in Romania?

Mr. **Waldmann**. Well, Senator, I believe that there is a great deal of concern about the ability of Romania to meet its commitments. That's why there have been lengthy and difficult rescheduling of discussion. But the fact that both the IMF and the Paris Club have agreed with Romania on repayment and rescheduling terms is a favorable sign that these are not insurmountable problems.

Senator **Bradley**. Is it this Government's assessment that that decision made by the private bankers in the Paris agreement is legitimate? Is there any threat to our economic stability, or do you feel that that was an acceptable agreement? What is the public oversight of that?

Mr. **Waldmann**. Senator, I am not the best person to answer that, because I think that most of these issues are overseen more closely by the Treasury Department, and I don't have an independent position or view about the terms that were negotiated.

Mr. **Scanlan**. Senator, I might be able to shed a little bit of light on that. First of all, if I can go back to your comment on CCC credits, the offer of CCC credits to Romania was made just before Romania fell off its last IMF agreement. As a result, the offer had to be withdrawn for the moment. You can't get into the business of lending additional money to a country which is in the process of rescheduling existing debt. So we told Romania early this year that they had to get their economic house in order before we could consider any extension of CCC credits. They have in fact done that; they have a new IMF agreement; they have reached an agreement with the commercial banks for rescheduling the private debt; they have reached an agreement with the governments through the Paris Club for rescheduling their debt to governments.

As far as their overall indebtedness is concerned it is a serious problem, but it doesn't begin to reach the dimensions of the Polish problem either in terms of per capita indebtedness or in terms of ability to pay. The assessment of the banks and of the governments involved is that it is basically a problem of a badly structured debt with too much falling due in the next couple of years, and that's what the rescheduling was all about.

So I am not saying it isn't a serious problem, but it is not regarded with the same seriousness as the Polish debt.

Senator BRADLEY. So the Government decided that it would not remove its credits until there was a rescheduling of the private debt. Is that correct?

Mr. SCANLAN. That, plus a new IMF increment.

Senator BRADLEY. All right.

Mr. SCANLAN. Yes, sir.

Senator BRADLEY. Now, when the private debt is rescheduled what happens?

Mr. SCANLAN. Well, essentially, they reschedule the debt; it is strung out over a——

Senator BRADLEY. Basically, they say, "You don't have to pay what you owe us now, but you can pay that 5 years from now, essentially, at the end of which time we hope your economy will be better." Isn't that what the rescheduling of the debt is?

Mr. SCANLAN. On the rescheduling, I am not aware of the precise terms. I believe there is a grace period up front of some 3 years. There is a percentage of the debt rescheduled—they don't reschedule it all. And then it is strung out over a longer period of time. And they pay a fee for that, of course.

Senator BRADLEY. Yes. So, as you view this situation, even though this Government has said the risks are so great in the present circumstance that we will not renew our credits, you do not believe that our banks are overexposed in any way either directly or through the interbank market?

Mr. SCANLAN. Senator, I don't think that's the issue.

Senator BRADLEY. That's my question.

Mr. SCANLAN. But the Government did not say they wouldn't renew credits; what they said was they wouldn't extend new credits until there was a new IMF agreement and a rescheduling.

Senator BRADLEY. So do you expect credits to be renewed or extended?

Mr. SCANLAN. Well, they have not asked. Since the rescheduling, Romania has not made an offical request for any CCC credits. If they do, I assume such a request would be processed on its merits.

Senator BRADLEY. Well, if what you said is true, which is the only objection to extending credits to Romania was an IMF agreement and a rescheduling of the private debt, then clearly if that is done you would favorably look at an extension of the commodity credit.

Mr. SCANLAN. Within budget constraints. I don't happen to know what the availability of CCC funds are at this point. All I am saying is there is nothing on the table at this point.

Senator BRADLEY. Could you answer yes or no. Do you believe our banks are overexposed?

Mr. SCANLAN. I think that's something for the banks to judge. I am not a financial expert.

Senator DANFORTH. Gentlemen, thank you both very much for being with us.

The next witness is Jack J. Spitzer.

I wonder if Mr. Spitzer and Mr. Rosenthal could testify together. Would that be all right? Is Mr. Rosenthal here?

Mr. SPITZER. Mr. Chairman. I don't know whether or not his testimony will be different from mine.

Senator DANFORTH. That doesn't matter. If you could just testify first, Mr. Spitzer, and then Mr. Rosenthal, and then we could question you together.

Mr. Spitzer, please proceed.

STATEMENT OF JACK J. SPITZER, PRESIDENT, B'NAI B'RITH INTERNATIONAL, WASHINGTON, D.C., ON BEHALF OF THE CONFERENCE OF PRESIDENTS OF MAJOR JEWISH ORGANIZATIONS

Mr. SPITZER. Mr. Chairman, it is a pleasure and a privilege to appear before the committee and on behalf of the Conference of Presidents of Major Jewish Organizations, some 37 national Jewish organizations, and particularly the B'nai B'rith of which I am privileged to serve as president, to place on the record our recommendation that most-favored-nation trade status be approved for Romania.

B'nai B'rith itself has been involved and interested and supportive of the concerns, the human rights concerns, in Romania since 1870—a long history of relationship. Since most-favored-nation trade status has been adopted as the law of the land of the Jackson-Vanik amendment, we have been involved in negotiations and worked with the Romanian Government to facilitate and expedite and resolve problems with relation to specific cases in a matter of the emigration from Romania essentially to Israel.

The record should reflect the fact that there survived the Holocaust in World War II approximately 400,000 Jews in Romania, the largest Jewish community in Europe to have survived, and that now 325,000 to 350,000 of those are in Israel. Hence, the privilege to be reunited with their families in Israel is a very important right for that remaining Jewish population in Romania.

The number expression of that right, naturally, is a reflection of the size of the community itself, and we have had confirmation both from such independent agencies as the American-Jewish Joint Distribution Committee—which with the Romanian Government, has been providing aid and assistance to some 8,500 Romanian Jews who are destitute and in need of such welfare service, essentially over 60 years of age—that the figures I represent at this time, reflecting a census prepared and established by the chief rabbi of Romania, can be relied upon.

There have been problems. The process, we feel, is onerous. It is a reflection of the bureaucratic process, I presume, of a Communist country; it doesn't have the freedom that we are privileged to enjoy here in the United States. But I can say, particularly with the arrival of Ambassador Malitza and with the continuing support and cooperation of other officials of Romania with whom I have been privileged to be working in these last several years, that improvements are being made.

I have had the privilege, at the invitation of Congressman Vanik, the coauthor of the law that we are reviewing and its implementation, to visit Romania in January 1980. I have been back in Romania, and as suggested to this panel, it is my intention to go to Romania again at the beginning of September for further discussions and a review of procedures.

Tomorrow there is a meeting set up with Romanian officials to review the process and attempt to develop procedures and modifications of those procedures to facilitate the emigration process and make it less burdensome and more expeditious and more humane. There is every reason to feel that progress will further be made, and it is for that reason, and for essentially that reason, that we strongly recommend the approval of most-favored-nation trade status for Romania for another year.

Senator DANFORTH. Thank you very much.

[The prepared statement of Jack Spitzer follows:]

STATEMENT OF MR. JACK J. SPITZER
INTERNATIONAL PRESIDENT, B'NAI B'RITH
ON BEHALF OF
THE CONFERENCE OF PRESIDENTS OF MAJOR AMERICAN JEWISH ORGANIZATIONS
TO
THE SUBCOMMITTEE ON INTERNATIONAL TRADE
OF THE
SENATE FINANCE COMMITTEE
AUGUST 10, 1982

Mr. Chairman:

I am grateful for this opportunity to state the position of the Conference of Presidents of Major American Jewish Organizations, an umbrella organization consisting of 36 constituent bodies, regarding a continuation of Most-Favored-Nation status for Romania. B'nai B'rith itself has been deeply involved in the welfare of Romanian Jewry since 1870. As International President of B'nai B'rith, I have had the opportunity to visit Romania on two occasions and to have a number of fruitful exchanges with the country's leaders.

The Conference of Presidents, whose current chairman is Rabbi Julius Berman, concerns itself with the welfare of Jews throughout the world. In keeping with this responsibility, it has sustained interest in the condition of the Jewish community in Romania and the right of Romanian Jews to emigrate to their ancestral homeland, Israel.

The Conference of President's involvement in the question of Romanian Jewish emigration heightened following the signing in 1975 of the U.S. - Romanian Trade Agreement calling for each nation to grant the other Most-Favored-Nation treatment with regard to customs, duties and charges. In waiving the application of subsections (a) and (b) of Section 402 of the Trade Act of 1974 for Romania, President Ford notified the Congress that he had received assurances that the emigration practices of Romania will henceforth lead substantially to the achievement of the objectives of Section 402. In this regard, President Ford cited the Declaration of the Presidents of the United States and Romania, signed in 1973, wherein it was stated, "they will contribute to the solution of humanitarian problems on the basis of mutual confidence and good will." It is these humanitarian problems that concern us today.

We have noted in previous years' testimony that, as a result of Romania's liberal emigration policies following the Second World War, of the estimated 400,000 Jews who survived the Holocaust, approximately 350,000 Romanian Jews were able to settle in Israel. Because of the existence of this large Romanian Jewish community in Israel, we believe that the Romanian government continues to have a special humanitarian obligation to facilitate requests by Jews, which we estimate to number 35,000, half of whom are older than 60 years of age, still in Romania to reunite with their families in Israel.

Since 1975, however, Romania's general reluctance to facilitate emigration, coupled with bureaucratic procedures which both intimidate and delay, have restrained Jewish family reunification in Israel. This is reflected in the numbers: emigration to Israel has gone from 3,729 in 1974 -- the last full year before MFN -- to 2,372 in 1975, 1,982 in 1976, 1,347 in 1977, 1,141 in 1978, 991 in 1979, 1,043 in 1980, and 1,042 in 1981. Through July 1982, 1,002 passports have been issued and 533 have arrived in Israel.

While the decrease can be partially explained by the diminishing size and growing age of the Jewish community, questions have to be raised as to why emigration has plateaued at the reduced figure for the last several years.

The fact is that the Romanian government has discouraged emigration through a lengthy and burdensome emigration process which includes a pre-application procedure that too often intimidates people before they can formally apply. Preliminary application must be made at the local police station, in itself a deterrent to starting the process. But once an applicant starts that process, he may be subjected to various forms of harassment and delay which can be very distressful.

Because of the difficulties an applicant faces, it would be safe to say that there are people who might otherwise seek to emigrate who have been discouraged from even taking the first step.

The 1979 agreement between the Conference of Presidents and the Romanian government gave us hope that the emigration process would change for the better. That agreement created a mechanism by which Romanian Jews applying to emigrate to Israel would register with the Romanian Jewish Federation, and their names could be shared with the Conference of Presidents so that it would be able to follow the progress of each case. Unfortunately, this has not resulted in elimination of burdensome procedures that discourage emigration, which must be the ultimate test of the agreement.

In recent weeks, however, the Romanian government has indicated that it is prepared to discuss the expediting and simplification of emigration procedures with representatives of the Conference of Presidents. That conference, scheduled for tomorrow, August 11, is an indication of the Romanian government officials' willingness to explore this subject with the Conference of Presidents. We are hopeful at that meeting, and when further meetings with Romanian officials take place during my planned visit to Romania at the beginning of September, substantial progress will be made toward a relaxation of those restraining procedures which in the past have tended to obstruct the flow of Jewish emigration to Israel.

We are also encouraged by the significantly higher rate of passport approvals during the last few months, demonstrating that the Romanian government can expedite its procedures when motivated to do so. It is important, however, for this higher rate of approvals to be maintained throughout the year if the applications are pending, not just prior to Congressional consideration of MFN. Equally important, the Romanian government should make it possible for persons with approved passports to obtain without undue delay the additional clearances necessary to leave the country.

We likewise welcome the news from Romanian Chief Rabbi Moshe Rosen that he is now receiving data from the Romanian government regarding all applications for emigration to Israel, not just the applications of persons who register with the Romanian Jewish Federation. This added information will hopefully enable the Conference of Presidents to deal with a more complete picture of pending applications than it has had in the past.

We want to acknowledge, moreover, that a number of difficult emigration cases we have brought to the attention of Romanian authorities have been resolved. At the same time, there are other cases, some going back months or years, that have not yet been resolved.

We believe that on balance, MFN with Romania has proven to be beneficial to the United States and its interests and should be preserved. The existence of MFN has undoubtedly made it easier for Romania to maintain a more independent foreign policy than other East European countries. MFN has also provided a forum for the United States -- through Congress and the Administration -- to pursue its concerns for a more responsive emigration policy, as well as its collateral commitment to human rights in Romania.

We note, however, that because of the varying concerns we have voiced in past years in our testimony to your Subcommittee, both the Administration and key members of Congress have now raised serious questions about Romania's emigration performance, and the President, while recommending another extension of MFN, has suggested that next year's renewal may be in jeopardy unless Romania makes a noticeable improvement in that performance.

However, judging from the higher approval rates of the last months -- which, if maintained, could make 1982 the best year for Jewish emigration since 1976 -- as well as from significant Romanian government efforts to clear up the backlog of emigration cases, and especially from their apparent willingness to ease up on emigration procedures, it is our expectation that such improvement is now taking place.

Based on the above considerations, along with our belief that Romania is in fact making a major effort to better its emigration performance, the Conference of Presidents strongly favors another one-year extension of MFN with Romania. It is our earnest hope that we will be able to give a similar endorsement when the treaty comes up for a further renewal next year.

Thank you for this opportunity to present our views.

STATEMENT OF MILTON F. ROSENTHAL, CHAIRMAN, ENGELHARD CORP., NEW YORK, N.Y., REPRESENTING THE ROMANIAN-UNITED STATES ECONOMIC COUNCIL

Mr. ROSENTHAL. Thank you, Senator.

To identify myself, I am the U.S. Chairman of the Romanian-United States Economic Council. I am also chairman of the board of Engelhard Corp. and a consultant and director of Phibro-Salomon Inc. I am the retired chairman and chief executive officer of Engelhard Minerals and Chemicals Corp. And I welcome this opportunity to testify on behalf of the American membership of the Economic Council in favor of continuing most-favored-nation tariff status for Romania.

This Council was established in 1973 by the United States and Romanian Chambers of Commerce to provide a channel of communication between business leaders in the two countries. Its members represent a broad cross section of commerce and industry dedicated to the improvement of United States-Romanian commercial relations. A list of the American membership is attached to my statement. I have served as American Cochairman of this Council since 1975.

Since its establishment nearly 9 years ago the Council has developed into an important vehicle for channeling policy recommendations from the business community to the two Governments. In this regard we are particularly pleased to have this opportunity to reemphasize the importance of MFN tariff treatment to our bilateral commercial relationship.

MFN tariff status has served as the linchpin of the United States-Romanian commercial relationship since the finalization of the bilateral trade agreement 7 years ago. The trade agreement has served as the basis for consultation over potential market disruption situations as well as over other potential trade problems. It has also given American business the legal basis for discussing such issues as business representation and patent protection and for settling trade difficulties.

The Council convenes every year for extensive discussions between the American and Romanian members. These sessions span a 2-day period and provide a forum for a full, frank, and realistic dialog. The site of the meetings alternates each year between the United States and Romania. Last year the meetings took place in Houston and were well attended. This year they will be held in October in Romania, and we expect the American delegation to include scores of businessmen interested in marketing their products in Romania or in purchasing products of Romanian manufacture. The 2-way trade this year will likely exceed $1 billion.

I personally have had the opportunity in recent months to meet with Romanian President Nicolae Ceausescu and with the country's new Foreign Trade Minister Nicolae Constantin, as well as with the new Romanian Ambassador to this country, Ambassador Malitza. Among the topics discussed in these meetings were the status of Romania's economic and financial difficulties and the state of the United States-Romanian bilateral relationship. I have also stressed the importance of maintaining a liberal policy in the area of emigration.

As you can well imagine, there is a great deal of concern in Romania over the possible ramifications current world political and economic developments might have on the already strained Romanian economy. Because of the financial situation there, Romanian authorities must carefully calculate foreign trade needs and obligations. Uncertainties over the continuation of MFN tariff status can only complicate this process.

Romania has been a good friend to the United States, despite our differences in our political and economic systems. They have sought to link themselves closer to our country and to other Western countries through the vehicle of trade and commercial cooperation. They have attempted to integrate themselves into the world economy through membership in such organizations as the GATT, IMF, and the World Bank. More than 50 percent of their foreign trade is with non-Communist countries.

The American membership in the Romanian-United States Economic Council believes it very important for the United States to affirm its commercial ties with Romania. We were encouraged by the positive tone of recent deliberations between Commerce Secretary Malcolm Baldrige and Romanian Foreign Trade Minister Nicolae Constantin. We would be further encouraged by affirmative and expeditious U.S. prolongation of Romanian MFN tariff status.

I will be pleased to respond to any questions you address to me.

[The prepared statement of Milton Rosenthal follows:]

STATEMENT

on the

CONTINUATION OF THE PRESIDENT'S WAIVER AUTHORITY UNDER TITLE IV OF THE TRADE ACT OF 1974

Mr. Chairman, I am Milton F. Rosenthal, U.S. Chairman of the Romanian-U.S. Economic Council. I am also Chairman of the Board of the Engelhard Corporation and a consultant and director of Phibro - Salomon Inc. I am the retired Chairman, President and Chief Executive Officer of Engelhard Minerals & Chemicals Corporation. I welcome this opportunity to testify on behalf of the American membership of the Economic Council in favor of continuing most-favored-nation tariff status for Romania.

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Most-favored-nation tariff status has served as the linchpin of the U.S.-Romanian commercial relationship since the finalization of the bilateral trade agreement seven years ago. The trade agreement has served as the basis for consultation over potential market disruption situations, as well as over other potential trade problems. It has also given American business the legal basis for discussing such issues as business representation and patent protection and for settling trade difficulties.

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I personally have had the opportunity in recent months to meet with Romanian President Nicolae Ceausescu and with the country's new Foreign Trade Minister Nicolae Constantin, as well as with the Romanian Ambassador to this country, Mircea Malita. Among the topics discussed in these meetings were the status of Romania's economic and financial difficulties and the state of the U.S.-Romanian bilateral relationship. I have also stressed the importance of maintaining a liberal policy in the area of emigration.

As you can well imagine, there is a great deal of concern in Romania over the possible ramifications current world political and economic developments might have on the already strained Romanian economy. Because of the financial situation there, Romanian authorities must carefully calculate foreign trade needs and obligations. Uncertainties over the continuation of most-favored-nation tariff status can only complicate this process.

Romania has been a good and reliable friend to the United States, despite differences in our political and economic systems. Romania has sought to link itself closer to the United States and other Western countries through the vehicle of trade and commercial cooperation. It has also attempted to integrate itself into the world economy through membership in such organizations as the GATT, the IMF, and the World Bank. More than 50 percent of Romania's foreign trade is with non-Communist countries.

In response to my request, the Romanian Ambassador has furnished me with emigration statistics for 1981 and for the first five months of this year. According to these figures, 2,501 persons received the approval of the Romanian authorities to leave that country for the United States in 1981, while 1,102 persons received approval to leave for Israel. By contrast, in the first five months of 1982, 1,349 persons received approval to leave for the United States and 621 for Israel. The monthly rate of approval for 1982 exceeds the average monthly rate of 1981 by a considerable margin.

I have also been informed that of the 652 cases on the list given to the Romanian Embassy by B'Nai B'Rith International, 485 have been approved, 66 are in the final stage of approval, 60 are under active consideration, 3 persons passed away, 8 have withdrawn their applications and the remaining 30 have not submitted an application for emigration.

The American membership in the Romanian-U.S. Economic Council believes it very important for the United States to affirm its commercial ties with Romania. We were encouraged by the positive tone of recent deliberations between Commerce Secretary Malcolm Baldrige and Romanian Foreign Trade Minister Nicolae Constantin. We would be further encouraged by affirmative and expeditious U.S. prolongation of Romanian most-favored-nation tariff status.

Senator **Danforth**. Gentlemen, thank you very much for very clear presentations.

Mr. Spitzer, let me ask you: Do you believe that failure to extend most-favored-nation status for an additional year would be a step forward or a step backward for the emigration of Romanian Jews?

Mr. **Spitzer**. Mr. Chairman, I believe strongly that failure to extend MFN would be a step backward. I think the maintenance of MFN maintains an important channel of relationship that has been constructive, and I would reflect indeed that this is the opinion not only of myself but of the many organizations that I represent in the Conference of Presidents.

Senator **Danforth**. So this is the position of the Conference of Presidents of the Major Jewish Organizations?

Mr. **Spitzer**. Correct.

Senator **Danforth**. And that the annual review process set up by Jackson-Vanik is a useful tool to achieve emigration of Romanian Jews?

Mr. **Spitzer**. Absolutely, Mr. Chairman.

Senator **Danforth**. And that if MFN status were terminated at this time the result would be the loss of a useful tool?

Mr. **Spitzer**. Absolutely.

Senator **Danforth**. And, Mr. Rosenthal, do you believe that the denial of MFN status would be a step forward or a step backward for U.S. commercial interests?

Mr. **Rosenthal**. I think it would be a severe blow against the continuation of those relationships. I think it could very well precipitate the dismantling of Romanian commercial efforts to sell products and services in this country. And the consequence of that I think would be that barriers would be erected against the sale of goods and services by American concerns in Romania.

Senator **Danforth**. Could you give the subcommittee some examples of American businesses which would be adversely affected?

Mr. **Rosenthal**. The American business community sells a wide range of products and services to Romania. Some of these items they are perforce required to import, such as agricultural commodities, because of a lack of their own sufficiency in that area. But other items representing goods of American manufacture are purchased by them in competition with goods of similar manufacture emanating from other countries. The fact that our country extends MFN status—nondiscriminatory tariff status—to Romania creates the atmosphere in which American manufacturers have a fair chance to sell their goods and services in competition with Germans, British, French, Japanese.

Senator **Danforth**. Could you give us some specific examples of American businesses which are doing business profitably in Romania?

Mr. **Rosenthal**. I can give you the example of our own company. After I was appointed as the U.S. chairman of this economic council I established an office in Bucharest for our company to expedite our trade relations with that country, and we have engaged in very considerable trade with them.

Senator **Moynihan**. That would be the Englehard Corp.?

Mr. **Rosenthal**. No; that would be the Engelhard Minerals Chemicals Corp., primarily the products handled by Phibro-Salomon Inc.—the Phillip Bros., segment of that.

Senator **Moynihan**. I see.

Mr. **Rosenthal**. Engelhard Corp., does sell products to the Romanians as well, and in fact the opportunity to sell those was enhanced by the MFN status. I think there would be a serious detriment to that effort were the situation to be reversed.

Senator **Danforth**. Senator Moynihan?

Senator **Moynihan**. Well, Mr. Chairman, we continue to have the President's intentions in this matter confirmed in the most emphatic ways from a very impressively wide range of perspectives and persons.

I would like to thank Mr. Spitzer for representing so many organizations that are so deeply concerned. That is impressive—any organization that can say, "We began our involvement in 1870."

In yesterday's New York Times, Moses Rosen, the Chief Rabbi of Romania, wrote an article for the Op-Ed page in which he very much shared your view as a witness from Romania, as a resident there. I believe he is in our country just now, and may indeed be in the audience. I hope to meet him later on.

Mr. Chairman, I would like to ask that I might put Rabbi Rosen's statement in the record at this point.

[The article follows:]

THE NEW YORK TIMES, MONDAY, AUGUST 9, 1982

Using Rumanian Jews

By Moses Rosen

I am a Zionist. I have declared this freely and openly not only during travels in the West but without hesitation in Bucharest, in the Communist state of Rumania. The fact that I can do so says more about the positive state of Jewish life there than volumes of Congressional testimony.

The following facts are being brought out for a particular reason, one that involves my Jewish community. The Jackson-Vanik amendment links granting of most-favored-nation status to various countries to their emigration policies. Because of questions in Congress about Rumanian Jews' emigration, the issue of whether to grant Rumania an extension of most-favored-nation status has been raised there.

In the last 34 years, more than 350,000 Rumanian Jews have emigrated to Israel and have played their parts as builders of the Jewish homeland. The significance of this achievement should not be underestimated: More than 93 percent of the Jewish population has quietly and peacefully been given the opportunity concretely to express their love of Zion and to go to the Jewish state.

Rumanian Jewry is not an isolated community. It has strong links with the organized structure of world Jewry while internally it has been given full opportunity for cultural and religious expression. Hence, the Federation of Jewish Communities in Rumania is a full member of the World Jewish Congress and I, as a member of the Congress's governing board, attend all of its important assemblies. The American Jewish Joint Distribution Committee maintains a full, active program of social service in our community. There are at present 120 synagogues in Rumania.

Since 1979, at the request of the State Department, the Rumanian Government and the Conference of Presidents of Major American Jewish Organizations, I have accepted the responsibility of maintaining a proper count: Every Rumanian Jew who wishes to emigrate can register with the community so that an accurate picture of Jewish emigration can be drawn. Since the initiation of this procedure, I have regularly reported the names and addresses of all registrants to the United States Embassy in Bucharest. The system has proved effective and has run quite smoothly.

Despite this, Congress has heard testimony asserting that emigration has declined — assertions that have been used as a pretext to block the extension of most-favored-nation status. I have here in the United States a list of names and addresses of Jews who have emigrated or who have had passports issued this year, and the picture is not one of decrease but of great increase. This is not a secret list; anybody can look at it.

Here are the relevant figures. The number of Jews receiving approval for emigration in the first half of this year was 1,204 as compared with 394 in the comparable period last year, and 667 during the same span in 1980. Last year, 1,067 emigrated as compared with 1,119 the year before and 833 in 1979. By the end of this July, 555 persons had emigrated.

Last month, the president of the World Jewish Congress, Edgar M. Bronfman, paid a visit to the Rumanian Jewish community, and in his address in the Central Synagogue in Bucharest stated that "it is no small accomplishment that in a socialist society, Jewish life in every aspect can so flourish."

I urge the extension of most-favored-nation status and must express resentment against those who seek to make Jews the scapegoat in their attempts to block its extension for their own reasons.

The lives, institutions and free emigration of Rumanian Jews should not be drawn into an issue with which they have no part or responsibility, or interest.

Moses Rosen has been Chief Rabbi of Rumania for 34 years and is president of the Federation of Jewish Communities of Rumania.

Senator **Moynihan**. Mr. Rosenthal, thank you very much for your very important testimony. The chamber of commerce has obviously been energetic in these matters, but it is a very impressive group of people you have on your Council. I feel obligated to note that David Morris is one of the vice chairmen of your group. Of course, Mr. Morris was Under Secretary of Labor under President Truman and then served with great distinction as the American Director of the International Labor Organization. His association with this purpose is bound to add to the authority that you yourself bring to it and the chamber brings to it, and I begin to wonder why we are having these hearings before this committee. But thank you very much. You have been very helpful and very important to us.

Senator **Danforth**. Senator Bradley?

Senator **Bradley**. Thank you, Mr. Chairman.

I would just like to ask Mr. Rosenthal one question.

The earlier witnesses supported most-favored-nation status for Romania, Hungary, China. You have also supported it, and you've made a very clear statement on your view as to how that affects Jewish emigration. I would like to ask you a question as someone wearing the hat of a businessman who is seeking to do business with Romania or Hungary.

Now, if most-favored-nation status is granted or is extended, if you are going to do business you have to continue to get credits. There are now $11 billion of outstanding debt owed by essentially Romania. How are the Romanians going to finance the purchase of any of our American exports with that debt overhang?

Mr. **Rosenthal**. That debt constitutes a very serious problem for them, and that is why they have had no alternative except to attempt to restructure it so as to extend its maturities in such manner as to facilitate their own ability to make payment out of current account as time goes on.

That process is still continuing at the moment. I do not think it has been completed. As a matter of fact, that is one of the subjects which they asked me to discuss with them when I visited Romania last December at the request of the President of the country and the Minister of Foreign Trade. And I emphasized to them the importance of getting on with the business of restructuring these debts, because it constituted a tremendous barrier to their conduct of current business. They are doing exactly that.

Now, once they have done that, it will depend upon the terms of that extension as to how free or inhibited they are in conducting normal business. I think the creditors who would agree to that extension would be foolish to agree to it in such manner as to inhibit the continuance of normal business on the part of the Romanians, because otherwise they will never be able to pay the debts when they come due again. Therefore, I believe that the loosening of these restrictions that will result from the restructuring will permit them to go on with the conduct of their normal business subject to their being able to control their economy in a way that is being insisted upon by the IMF. I think they are now completely alert to these problems and will work very strenuously to abide by these standards that have been indicated to them. Whether they will succeed or not, time alone will tell. But I believe that in the meanwhile you will find that once the restructuring is done additional credits will become available to them from banking institutions throughout the world, including those in this country, for normal transactions that give evidence of repayment following in a matter of course. And I think, therefore, that business will go on.

Senator **Bradley**. Rescheduling of debt is the way what is going on is described in some circles. In other circles it is called throwing good money after bad. Now, at what point do you conclude that indeed you are throwing good money after bad and you can't continue to reschedule ad infinitum?

Mr. **Rosenthal**. I think this is a decision that each individual banker has to conjure with himself, and in each case I think he must evaluate the alternatives. Some banks have very large credits that are presently outstanding and are not being serviced, and I think they will necessarily take into account the question of the effect of a current default upon their ability to recover those debts against their ability to recover them should there be a restructuring.

Senator **Bradley**. Should government have a responsibility here in assessing when good money is thrown after bad?

Mr. **Rosenthal**. I think in our society, Senator, we have allowed our private sector enterprises to make their own mistakes, and there are comparatively few instances in which they have been bailed out by government. Most of those who make the mistakes that cannot be remedied have the privilege of going to the wall. And if banks, like other institutions, make these types of mistakes they will have the same fate.

I believe, however, that our banking system, with some notable exceptions, is administered by people of very sound commercial sense, and therefore they will, in my judgment, make effective commercial decisions in this situation as in others.

Senator **Bradley**. We hope so.

Senator **Danforth**. Senator Dole?

Senator **Dole**. I have no questions.

Senator **Danforth**. Gentlemen, thank you both very much.

Mr. **Rosenthal**. Thank you, Mr. Chairman, for the privilege of testifying.

Senator **Danforth**. It has been excellent testimony from each of you.

The next panel is the Rev. Jeffrey Collins and the Rev. Don Kyer.

Mr. Collins, would you please proceed.

STATEMENT OF REV. JEFFREY A. COLLINS, DIRECTOR, EAST/WEST NEWS SERVICE, CAMARILLO, CALIF.

Reverend **Collins**. I am Jeffrey Collins. I am director of East/West News Service, which is a Christian news agency which monitors human rights.

I do want to thank you for the privilege of appearing before you today to voice my concern about what I see as a record year of human rights, and in particular religious rights, violations in the Socialist Republic of Romania.

For 8 years groups such as ours have repeatedly testified at congressional hearings, recommending that most-favored-nation trade status be discontinued for Romania. Prior to or during such testimony the Romanian Government has repeatedly released prisoners of conscience and speedily expedited certain emigration cases, and of course this year is no exception. We have been informed by the Romanian Government that on July 27, 1982, the Romanian State Council by Decree Number 200 gave special amnesty to 27 prisoners of conscience. And among these, as was already mentioned, were the 11 evangelical Christians who had been serving prison sentences of 5 to 6 years for the so-called criminal act of distributing Bibles in that nation.

While we are very grateful for the release and the reunification of these believers with their families and friends, we remain concerned about their future lives in that Marxist society. Bearing criminal records for distributing the Word of God, their future plight is one of potentially dismal distress in a socialist, atheist state. It is difficult for previously imprisoned Christians to obtain proper employment or to find housing. It will be equally difficult for these Christians to secure higher education for their children. And I submit a list of the 11 for the record.

I also today express concern for five other Christian believers who were arrested and interrogated by Romanian secret police in February of this year. Four of the men: Vasile Rosianu of S biu, Alexandru Pop of Cluj, his brother Augustin Pop also of Cluj, and Lucian Rus of Alba-Julia, were stopped by the police while driving in the town of Alba-Julia. Found in the car was a paper bag containing copies of a children's Christian songbook and poetry book authored by the renowned Romanian Orthodox poet Traian Dorz. I have copies of these books here that I would be glad to leave with you. They are simply poetry books with colored pictures of Jesus, of children worshiping God, poetry, and the children are taught to sing these words to music.

Subsequently, Dorz, who is 70 years of age, was brought in for questioning. On June 29, just a few weeks ago, all five men were sentenced accordingly, and we received this information by phone from Romania: Traian Dorz—70 years of age—received a sentence of 2 years in prison. After the sentence was announced Dorz had a heart attack and was hospitalized. He had already served 16 years in Romanian prisons because of his religious activities. He is a member of the Orthodox Church.

The other four men received a sentence of 1 year 2 months in prison for transporting the literature in their car.

Now, while the sentences of all five men have been suspended, and no doubt this is a result of the ongoing MFN hearings here in Washington, all five individuals now have criminal records to bear the rest of their lives because of their criminal behavior in trafficking children's Christian literature—now, not pornography, mind you, but poetry books with pictures of Jesus Christ.

I mention today one further case, a very outstanding human rights case, and that is that of the eminent Romanian Orthodox Church leader Father Gheorghe Calciu, whose picture you see here displayed. Father Calciu remains incarcerated at Vacaresti Prison in Bucharest on a sentence of 10 years. Calciu is about 55 years of age and has spent almost half his life in Romanian prisons because of his faith in Christ. We are concerned for his health. There have been reports rumored from several organizations during the last few days of Calciu's death. That is not verified, however we are unable to obtain authorities or statements from the Romanian Embassy as to his present physical condition. We are concerned for his health. He is the foremost prisoner of conscience in Romania today. Many attest that the release of Father Calciu would certainly be an indication of the Romanian Government's sincere desire to make fundamental improvements in its extremely poor human rights record.

While I do commend the Romanian Government for its recent release of the 27 prisoners, one must realize the fact that these people should have never been arrested in the first place, and future trials against religious believers must not continue. There must be a fundamental change in the attitude of the Romanian authorities that would prevent such atrocities from recurring.

I appeal to you today to take a strong stand on these most important issues. While I am reluctant to ask you to suspend MFN for Romania at this time, I am requesting that the Subcommittee on Trade formulate a very strong statement addressed to President Nicolae Ceaucescu. I would suggest that your letter ask for action on the following specific points which will be reviewed next year when and if MFN renewal will be reconsidered:

First, there should be an announcement that Bucharest will in the future maintain and increase the May–June 1982 rise in the number of emigration approvals to the United States and Israel.

Second, we are requesting that you have them state the immediate release of prisoners of conscience including the eminent Father Gheorghe Calciu. As I mentioned, he has already spent almost half his life in prison.

Third, we are requesting the removal of the preapplication procedures instituted after Romania obtained MFN status and after Romania signed the 1975 Helsinki Final Act. This preapplication procedure for emigration drastically complicates and harrasses those who are trying to emigrate.

Fourth, we are asking for an immediate commencement of negotiations on a 10-point plan to simplify and shorten that emigration procedure.

I am submitted for inclusion in the record a more detailed presentation of these and the other points which we prepared.

In ending my statement, I would like to simply quote from one of the poems here in the book for which these five were arrested:

> Praise, Praise, to those who come to Christ, to you, to me. Praise the Light of the World. Praise, Praise to love. Praise, sing praise, sing praise to Jesus the King of the World.

For those words being distributed in Romania, people were sentenced for as much as 2 years in prison.

Senator Danforth. Thank you, Mr. Collins.

[The prepared statement of Jeffrey Collins follows:]

STATEMENT OF

Jeffrey A. Collins,
Director,
East/West News Service
Camarillo, California

10 August 1982

U.S. SENATE
Committee on Finance/
Subcommittee on Trade

"On the Renewal of Romanian M-F-N"

Senator Dole, Honroable Committee Members:

My name is Jeffrey A. Collins. I am director of East/West News Service, a Christian news agency monitoring human rights.

I thank you for the priviledge of appearing before you today to voice my concern about what I see as a "record year" of human and, in particular, religious rights violations in the Socialist Republic of Romania.

For eight years groups such as ours have repeatedly testified at Congressional hearings, recommending that Most-Favored-Nation trade status be discontinued for Romania. Prior to, or during such testimony, the Romanian government has repeatedly released prisoners of conscience and speedily expedited certain emigration cases. This year is no exception--we have been informed by the Romanian government that on July 27, 1982, the Romanian State Council by Decree Number 200 gave special amnesty to 27 prisoners of conscience. Among those were eleven evangelical Christians who had been serving prison sentences of five years or more for the "criminal act" of distributing Bibles in that nation.

While we are grateful for the release and reunification of these believers with their families and friends, we remain concerned about their future lives in that Marxist society. Bearing criminal records for distributing the Word of God, their future plight is one of potentially dismal distress in a socialist, atheist state. It is difficult for previously imprisoned Christians to obtain proper employment or to find housing. It will be difficult for these Christians to secure education for their children. (I submit a list of the eleven for the record.)

I also today express concern for five other Christian believers who were arrested and interrogated by Romanian secret police in February of this year. Four of the men, Vasile Rosianu of Sibiu, Alexandru Pop of Cluj, his brother Augustin Pop also of Cluj, and Lucian Rus of Alba-Julia, were stopped by the police while driving in the town of Alba-Julia. Found in the car was a paper bag containing copies of a children's Christian songbook and poetry authored by the renowned Romanian poet Traian Dorz. Subsequently Dorz, who is 70 years of age, was brought in for questioning. On June 29, 1982, all five men were sentenced accordingly: Traian Dorz received a sentence of 2 years in prison. (After the sentence was announced Dorz had a heart attack and was hospitalized. He had already served 16 years in Romanian prisons because of his religious a ctivities.) The other four men received a sentence of one-year-two-months in prison for transporting the literature.

While the sentences of all five men were suspended (no doubt this action was taken as a result of the ongoing M-F-N hearings here in Washington) all five individuals now have criminal records to bear the rest of their lives for their criminal behavior in trafficing children's Christian literature.

I mention today one further case--that of the eminent Romanian Orthodox leader Father Gheorghe Calciu. Father Calciu remains incarcerated at Vacaresti Prison in Bucharest. Calciu is about 55 years of age and has spent almost half his life in Romanian prisons because of his faith in Christ. We are concerned for his health. He is the foremost prisoner of conscience in Romania today.

Many attest that the release of Father Calciu would certainly be an indication of the Romanian government's sincere desire to make fundamental improvements in its extremely poor human rights record.

While I do commend the Romanian government for its recent release of 27 prisoners, one must realize the fact that these people should have never been arrested in the first place, and future trials against religious believers must not continue. There must be a fundamental change in the attitude of the Romanian authorities that would prevent such atrocities from reoccurring.

I appeal to you today to take a strong stand on these most important issues. While I am reluctant to ask you to suspend M-F-N for Romania at this time, I am requesting that the Subcommittee on Trade formulate a strong statement addressed to President Nicolae Ceaucescu. I would suggest that your letter ask for action on the following specific points which will be reviewed next year when once again M-F-N renewal will be considered. (1) An announcement that Bucharest will in the future maintain and increase the May-June 1982 rise in the number of emigration approvals to the U.S. and Israel. (2) The immediate release of prisoners of conscience including the eminent Father Gheorghe Calciu. (3) The removal of the pre-application procedures instituted after Romania obtained M-F-N status and after Romania signed the 1975 Helsinki Final Act. And (4) an immediate commencement of negotiations on a 10-point plan to simplify and shorten emigration procedures. I am submitting for inclusion in the record a more detailed presentation of these points which was prepared by the North American Coalition for Human Rights in Romania. These minimal gestures of good-will are necessary in order for Romania to fully comply with U.S. law (Section 402 of the 1974 Trade Act) and with its obligations under international law, including its own solemn pledge to observe the Helsinki Final Act of 1975.

Thank you again for your attention to this most important matter.

I now introduce my colleague, Dr. Curtis Nims, who will make a brief statement.

EAST/WEST NEWS SERVICE
RELIGIOUS RIGHTS IN ROMANIA

6 August 1982
Page 1

BRIEFS

-- IOAN (JOHN) TEODOSIU, 27, was arrested December 16, 1981 and charged with treason. While in prisons in both Cluj and Bucharest he says he was beaten and generally treated poorly. As spokesman for the Romanian Christian Committee, he gathered information about religious repression in Romania and sent it to Christians in the West. During the months prior to arrest Teodosiu was repeatedly warned not to speak with or see any one from the West. He was also fined for working for Radio Free Europe, a charge which Teodosiu says is false. A trial was set to be heard by the Military Division of the Romanian Supreme Court March 8, 1982. He was, however, released just hours before the trial was to begin. His release followed protests from several U.S. Congressional leaders.

--LIGIA TEODOSIU, 23, of Cluj, was, at a crucial time during her current pregnancy, denied medical aid despite a kidney flare-up. That was just one week before her husband, Ioan, was to go to trial. She has since been receiving medical treatment, but has now been told she and her husband must vacate their apartment. Because of the publicity around Ioan Teodosiu's case and police harassment, they have been repeatedly told they cannot obtain available housing. Ligia's baby is due this month (June). They have both been denied passports to the West.

--In September 1981 13,000 BIBLES WERE CONFISCATED from a ship in Turnu Severin. Those Bibles were burned by the Romanian government. Five Christians were arrested for bringing illegal contraband (Bibles) into the country.

--KLAUS WAGNER of Timisoara, was arrested October 1, 1981 and later convicted for distributing 600,000 Bibles. He was sentenced to six years in prison and fined.

--MARIA AND FIBIA DELAPETA were arrested and sentenced for working with Wagner. Five year prison terms and fines were given to each at a December 1981 trial.

--THE SFINTA TRIEME BAPTIST CHURCH in Bucharest is fighting to keep its building. Government authorities have threatened to demolish the structure which is in downtown Bucharest. Pastor Vasile Talos says the government can come and destroy his church if provision is made for new quarters. So far the government will not even permit the church to be rebuilt on vacant land in the same area.

--NAZI-STYLE RAIDS AND BEATINGS have been widely reported throughout the country. Secret police have searched more than three dozen homes: Bibles, Christian literature and food have been confiscated. Officers beat several of the occupants in some raids.

--BEATINGS DURING INTERROGATIONS have also been widely reported. Common is the practice of slamming a person's head against solid walls, repeated hits to the head with a hard rubber club and now the use of electrical shock.

--SILVIU CIOATA AND COSTEL GEORGESCU were arrested in Ploesti November 11, 1981 and charged with trafficking in Bibles. The trial was originally set for January, but postponed when an American Christian lawyer arrived in Ploesti at the family's request.

--An additional ten Christians have been arrested and imprisoned for working with Wagner, Cioata and Georgescu in the circulation of Bibles. Those arrested had been interrogated on a daily basis from November 1981 through their trial date in March.

--FIVE ROMANIAN BAPTIST PASTORS were accused of EMBEZZLING church funds, according to a November 1981 article in the communist magazine, Flacara. The Flacara article called for the arrest and conviction of Iosif (Joseph) Sarac, Vasile Talos, Vasile Brinzai, Pascu

BRIEFS (continued)

Geabau and Buni Çocar. The charges stem from a verbal agreement granted to the pastors and is connected to the unauthorized spending of church funds on church projects. (The church sanctioned the expenditures, the government-aligned Baptist Union did not.)

--Iosif Sarac and Pascu Geabau were dismissed as president and secretary, respectively, of the Bucharest Baptist Community. This is the organization which oversees the Baptist churches in Bucharest. These were elected posts, but the dismissals came from the Baptist Union and the Romanian government Department of Cults (Religion).

--Local authorities threatened to demolish the Cimpeni Baptist Church in the Alba Region of Romania in November. Secret Police confiscated the document which gave the church a legal right to exist. The closest other Baptist Church is 70 miles away.

--During one of IOAN TEODOSIU'S interrogation sessions, officers quoted verbatim phone conversations Teodosiu had had with people in the West. This confirmed his suspicion that his line was tapped. (This is common to most Christians in Romania.)

--The official Romanian news agency Agerpress accused Pope John Paul II of interferring with the Romanian Orthodox Church when he appointed exiled-Romanian Traian Crisan to a Vatican post.

--THREE AMERICAN TOURISTS were taken into custody twice by Romanian police. They were asked about certain Christians in Romania and then released.

--In January 1982 DR. CURTIS NIMS, a retired American Baptist preacher, was ordered out of Romania. When police took him into custody, they told him he had been associating with the wrong people in Romania--Christians.

--REVIVAL CONTINUES in Mediasi even though the pastor, Ioan Stef, has been dismissed by the Baptist Union.

--Pastor Beniamin Cocar was recently dismissed by the government-aligned Baptist Union as pastor of the small churches in Cenade and Timbrie.

ROMANIAN CHRISTIANS ARRESTED AND SENTENCED SINCE REQUESTING EMIGRATION:

GHEORGHE SALAI and his wife EMILIA from Cluj were arrested and sentenced on September 25, 1981. GHEORGHE SALAI was sentenced to six months in prison and EMILIA was sentenced to four months in prison. They have four children. They are members of the Baptist Church. Their address is: St. Dr. Petru Groza Nr. 33, Cluj, ROMANIA.

PAUL DRAGU and his wife PAULINA were both arrested on January 22, 1982. Paul Dragu was sentenced to six months in prison. PAULINA DRAGU was sentenced to four months but was released after ten days in prison. They have four children. Their address is: St. 8 Martie No. 5, Tragu Jiu, ROMANIA.

PETRE DRAGHICI was arrested on January 12, 1982 and sentenced to six months in prison. He is a member of the Baptist Church. His address is: St. Razoara No. 19, Ploesti, ROMANIA.

VASILE PREDA was arrested in 1981 and was sentenced to eight years in prison. He is married and has one child. He is a member of the Orthodox Church. He lives in Bucharest.

ROMANIAN CHRISTIANS PERSECUTED AND INTERROGATED BY SECRET POLICE:

IOAN TEODOSIU is the spokesman for the Romanian Christian Committee. He is a member of the Baptist Church. He was arrested on December 16, 1981 and accused of espionage. He was released in March 1982. He is presently closely followed by the secret police.

GIURGIU GAVRILA, a Pentecostal Pastor, was arrested in 1953 and released in 1956. He has been currently beaten by the secret police and is under investigation. His address is: St. Petrosani Nr. 8, Cluj, ROMANIA.

LIVIU CAPUSAN, father of Radu Capusan is under investigation and closely watched by secret police. All of his correspondence is censored by the secret police. His address is: St. Bucegi 15, Bl A3, Fl. 9, Apt. 151, Cluj, ROMANIA.

MIRCEA TOMA has been under investigation for three months for distributing Bibles. He is a member of the Brethren Church. His address is: St. Tinerul Mare 25, Ploesti, ROMANIA.

IOAN ENEA was under investigation for three months for distributing Bibles. He is married and has ten children. He is a member of the Brethren Church. His address is: St. Sabinelor Nr. 2, Bl. 2, Ploesti, ROMANIA.

PAVEL CHIU, a Baptist pastor, is presently under investigation for refusing to cooperate with the government. He is married and has four children. He is from Arad, ROMANIA.

AUREL CHIU, a Baptist medical doctor, was fired from his job because of his Christian activity. He is married and has two children. He is from Arad, ROMANIA.

DAVID TEODOSIU, a Baptist student from the Polytechnic Institute in Cluj, is presently under investigation. His house has been searched. His address is: St. Alamascului No. 401, Cluj, ROMANIA.

HARALANBIE PLOSCARIU, a Baptist pastor, is under investigation for his Christian activity. He lives in Motru, ROMANIA.

VASILE TALOS, a Baptist pastor from Bucharest, is under investigation for refusing to cooperate with the government about matters concerning his church. He is married and has two children. He lives in Bucharest, ROMANIA.

PASCU GEABAU, a Baptist pastor, is under investigation. His church was destroyed in 1977 by an earthquake, since then the church has held prayer meetings in a tent. He has refused to cooperate with the government. He lives in Bucharest, ROMANIA.

IOSIF SARAC, a Baptist pastor and president of the Baptist Community from Bucharest was dismissed from his position by the Department of Cults in Bucharest because he refused to cooperate with the government.

VASILE BRINZEI, a Baptist pastor from Bucharest is still under investigation. He was accused by the Romanian government of embezzlement. He was slandered in the Flacara magazine.

BUNI COCAR, a Baptist pastor from Bucharest would not cooperate with the government. After he finished his studies in the seminary he was refused official license.

IOAN STEF, Pastor of the First Independent Baptist Church in Medias is under investigation because he refused to cooperate with the government.

ROMANIAN CHRISTIANS PERSECUTED AND INTERROGATED BY SECRET POLICE:
(continued)

BENAMIN COCAR is the assistant pastor of the First Independent Baptist Church in Medias. Because he refused to cooperate with the government, after he graduated from the Baptist Theological Seminary, the government refused to give him a license.

VIOREL DUMITRESCU, an Orthodox priest from Parohia Visag-Lugoj was dismissed because he refused to cooperate with the government. He is still under investigation.

CHURCHES CLOSED, LOCKED OR DESTROYED BY THE ROMANIAN GOVERNMENT:

BAPTIST CHURCH in TIGANESTI -- destroyed in March 1977. The church has two hundred members. They asked for government permission to build another church; but the government said no. Now they conduct church services in a tent.

BAPTIST CHURCH in BUJAC-ARAD -- Taken over by the government in April 1981. The secret and regular police broke windows and doors and confiscated everything from the church (chairs, organ, etc.). They then converted the building into a hospital. Now the members of the church meet in different homes.

BAPTIST CHURCH in MOTRU -- Secret and regular police sealed the door in April. The church building has now been converted into a government office. The members sometimes meet clandestinely. The pastor is still under investigation.

BAPTIST CHURCH in FALTICENI -- Secret and regular police destroyed the roof and built a wall in the middle of the church in October 1980. The members were told that they would be fined many thousand lei if they met again in the church. The members now meet covertly for prayer meetings.

PENTECOSTAL CHURCH in MEDIAS -- Destroyed by the government in March 1981. The two hundred members of the church now meet covertly for prayer meetings.

BAPTIST CHURCH in RACHITOVA -- Destroyed by the government August 15, 1981. The local communist authorities brought fifty people and two bulldozers and destroyed the church in half an hour. The members of the church meet secretly.

PENTECOSTAL CHURCH in CIMPIA TURZII -- Secret police cut off the electricity and the gas in February 1982. Because of the severe cold in the winter, the members of the church wear very heavy coats and they must read the Bible with a flashlight.

BAPTIST CHURCH No. 2 in BRASOV -- Closed in February 1982. The members of the church were fined 30,000 lei because they met in the church. Now the members must meet clandestinely.

BAPTIST CHURCH in ZALAU -- Destroyed April 5, 1982 by the secret police. For Easter the two hundred members met surreptitiously.

BAPTIST CHURCH of MIHAI BRAVU in BUCHAREST -- In danger of being destroyed. The government has told the six hundred members to move from the church. The government claims the space is needed to build a highway. The government refuses to give the members a place to build another church.

INDIVIDUALS WHO HAVE APPLIED FOR EMIGRATION; MOST TO BE REUNITED WITH THEIR FAMILIES IN THE WEST:

(We have been able to verify that many on this list received passports and exit visas the last week in July, 1982.)

LIVIU CAPUSAN, a Baptist who applied for emigration in April 1981. Romanian authorities refused to give permission to emigrate even though his son, Radu Capusan, lives in the United States. Liviu Capusan's address is: ST. Bucegi No. 15, Bl. A3, Fl. 9, Apt. 151, Cluj, ROMANIA.

IOAN TEODOSIU and LIGIA TEODOSIU, both are Baptist. Residence: St. Almasului No. 40 Cluj, ROMANIA.

GAVRILA GIURGIU, a Pentecostal pastor. Residence: St. Lupeni Nr. 8, Cluj, ROMANIA.

DANIEL BRINZEI, a Baptist pastor. Residence: St. Muntele Mare No. 3 Sector 7, Bucharest, ROMANIA.

TEODOR RUS and his wife Pentecostal church members. Residence: Ciceu-Giurgesti No. 317, Jed Bistrita-Nasaud, ROMANIA.

PAUL DRAGU and his family, a member of the Brethren Church. Address: St. 8 Martie No. 5, Tirgu, ROMANIA.

EMIL POP and his wife, members of the Pentecostal church. Address: St. D Gherea. No. 5, Dej, ROMANIA.

GHEORGHE SALAI and his family of the Baptist Church. Address: St. Dr. P Groza No. 33, Cluj, ROMANIA.

IOAN FALCUSAN and his family of the Baptist Church. Address: St. Gheorgheni Nr. 204, Bl. N., Apt. 16, Cluj, ROMANIA.

PAVEL MURESAN and his family of the Pentecostal Church. Address: St. Merilor Nr. 4, Dej, ROMANIA.

VIOREL TAUTU and his family of the Baptist Church. Address: St. Caragiale Nr. 21, Dej, ROMANIA.

IOAN BOR of the Pentecostal Church. Address: St. Hasdau Nr. 49, Dej, ROMANIA.

GAVRIL SIGHIARTAU and his family of the Pentecostal Church. Address: Ciceu-Giurgesti, St. Varga Catalina Nr. 68, Dej, ROMANIA.

IOAN SPOREA and his family of the Baptist Church. Address: St. Muncii Nr. 14, Resita, ROMANIA.

DANIEL STAUCEANU and his family of the Baptist Church. Address: St. Presei Nr. 1, Sector 1, Bucharest, ROMANIA.

PETRU TRUTA and his family of the Orthodox Church. Address: Sos Catelul Nr. 6A-Bl. 341, Bucharest, ROMANIA.

GEORGE MICHESCU and his family of the Baptist Church. Address: St. M. Sadoveanu Nr. 35, Turnu Severin, ROMANIA.

ZAHARIA PLOSCARU and his family of the Baptist Church. They live in Motru, ROMANIA.

INDIVIDUALS WHO HAVE APPLIED FOR EMIGRATION; MOST TO BE REUNITED WITH THEIR FAMILIES IN THE WEST: (continued)

HARALAMBIE PLOSCARU, JR. of the Baptist Church. He lives in Motru, ROMANIA.

IELA PETRU and his family of the Baptist Church. Address: St. Alee Liliacului, Bl. 5, Fl. 3, Apt. 16, Caramcebes, ROMANIA.

GEORGE BURTEA and his family of the Baptist Church. Address: St. Bugorului Nr. 39, Turnu Severin, ROMANIA.

DANIEL CHIBICI and his family of the Baptist Church. Address: St. Crizantemelor Nr. 5, Orcoba, ROMANIA.

CORNELIU CIUCA and his family of the Baptist Church. Address; St. Republicii Nr. 8, Apt. 17, Galati, ROMANIA.

MIHAI SCHIAU of the Baptist Church. Address: St. Cintarului 7, Sebes-Alba, Romania.

TEOFIL SALAGEA and his family of the Baptist Church. Address: St. Calarasi Nr. 25, Alba-Iulia, ROMANIA.

TIMOTEI STEF and his family of the Baptist Church. Address: St. Calarasi Nr. 25, Alba-Iulia, ROMANIA.

AUREL MIGET and his family of the Baptist Church. Address: St. Marasesti Nr. 28, Apt. 4, Arad, ROMANIA.

ROMANIANS ARRESTED AND SENTENCED FOR BIBLE DISTRIBUTION: (Released by Government Proclamation 27 July 1982)

List updated 29 June 1982

KLAUS WAGNER

Arrested: Oct. 1, 1981 in Sighisoara
Trial: Dec. 17, 1981 in Turnu Severin
Sentence: 6 years in prison
Prison: In Turnu Severin before trial. After trial in Craiova then in Bucharest.
Age: 32
Occupation: Auto Mechanic
Married: wife EKATERINA
Children: HANNA-born Oct. 8, 1975; MARKUS-born Nov. 9, 1976; SAMUEL and DEBORA, twins-born May 8, 1980.
Church: Brethren
Home Address: 3050 SIGHISOARA, St. Mihail Eminescu No. 12 Jud. Mures, ROMANIA
Present physical condition: Not known

FIBIA DELAPETA

Arrested: Oct. 1, 1981
Trial: Dec. 17, 1981
Sentence: 5 years plus in prison
Prison: Turnu Severin before trial
Age: 28 years
Occupation: not known
Married: not known
Children: not known
Church: Orthodox Church
Home address: St. Carpinis Nr. 13, Jud. Hunedoara, ROMANIA
Present physical condition: not known

MARIA DELAPETA

Arrested: Oct. 1, 1981
Trial: Dec. 17, 1981
Sentence: 5 years plus in prison
Prison: Turnu Severin before trial
Age: 25 years
Occupation: not known
Married: not known
Children: not known
Church: Orthodox Church
Home address: St. Carpinis Nr. 13, Jud. Hunedoara, ROMANIA
Present physical condition: not known

ON MARCH 6 EIGHT CHRISTIANS WERE SENTENCED FOR BIBLE DISTRIBUTION

SILVIU CIOATA

Arrested: Nov. 11, 1981 in Ploesti
Trial: March 6, 1982
Sentence: 5 years 3 months in prison
Prison: Ploesti before trial. After trial in I.L. Caragiale, Jud. Prahova
Age: not known
Occupation: Dentist - Medic
Married: wife, ELENA
Children: two children
Church: Brethren
Home address: St. Intrarea Petuniei No. 9, Bl. 8, Sc., B, Apt. 20, Ploesti, ROMANIA
Physical condition: not known

MIRCEA CIOATA

Arrested: March 6, 1981 in Ploesti
Trial: March 6, 1981
Sentence: five years
Prison: I.L. Caragiale, Jud. Prahova
Age: not known
Occupation: engineer
Married: yes
Children: two children
Church: Brethren
Home address: St. Lenin No. 1., Bl. A, Sc. B Apt. 19, Ploesti, ROMANIA
Present physical condition: not known

IOAN TEODOR

Arrested: March 6, 1982 in Ploesti
Trial: March 6, 1982
Sentence: five years and three months
Prison: I.L. Caragiale, Jud. Prahova
Age: not known
Married: yes
Children: four
Church: Brethren
Home address: St. Veronica No. 42 Ploesti, ROMANIA

HORST FEDER, JR.

Arrested: March 6, 1982
Trial: March 6, 1982 in Ploesti
Sentence: five years and three months
Prison: I.L. Caragiale, Jud. Prahova
Age: not known
Occupation: not known
Married: wife, ELISABETH
Children: two
Church: Brethren
Home address: St. Ilarie Chendi No. 87 Shighisoara, ROMANIA

List updated 29 June 1982

HANS HOLZMAN

Arrested: March 5, 1982
Trial: March 6, 1982 in Ploesti
Sentenced: Five years and three months
Prison: I.L. Caragiale, Jud. Prahova
Age: not known
Occupation: not known
Married: yes
Children: six
Church: Brethren
Home address: St. Dragos Voda No. 20, Brasov, ROMANIA

IOAN RACEALA

Arrested: March 4, 1982 in Slobozia
Trial: March 6, 1982 in Ploesti
Sentence: Five years and six months
Prison: I.L. Caragiale, Jud. Prahova
Age: not known
Occupation: not known
Married: yes
Children: three
Church: Brethren
Home address: St. Vasile Alexandri No. 20 Slobozia. Jud Ialomita, ROMANIA

PETRE FURNEA

Arrested: March 5, 1981 in Ploesti
Trial: March 6, 1982 in Ploesti
Sentence: five years and three months
Prison: I.L. Caragiale, Jud. Prahova
Age: not known
Occupation: not known
Married: not known
Children: not known
Home address: St. Zioar No. 1 Ploesti, ROMANIA

COSTEL GEORGESCU

Arrested: Oct. 11, 1981
Trial: March 6, 1982
Sentence: six years
Prison: Ploesti before trial. After trial in I.L. Caragiale, Jud. Prahova
Age: not known
Occupation: not known
Married: yes
Children: two
Church: Brethren
Home address: Soseaua Vestului 20, Bloc 101, Sc B App. 73, Ploesti, ROMANIA

STATEMENT OF THE REV. DONALD F. KYER, DIRECTOR, FRONTLINE FELLOWSHIP, PETERSBURG, VA.

Reverend KYER. My name is Don Kyer. I am a minister of the Gospel of Jesus Christ of the Baptist faith and now serve as the director of Frontline Fellowship, a Christian mission serving pastors and churches in Eastern Europe.

I have been involved in Christian missionary work in Eastern Europe since January of 1971. During the course of my ministry I have had occasion to travel in all of the Eastern European countries with the exception of Albania, and over these years I have made it a point to work more with the grassroots areas, with local national pastors and churches, rather than the official recognized leadership of the protestant groups, although I am personally acquainted with many of them, because I felt like this gave me a closer contact with what the realities of the country were.

During these years of work in Eastern Europe I have been involved in the clandestine Bible movement into these countries, but in recent years the ministry has taken on more the aspect of preaching and teaching and evangelism.

During these years I have had occasion to visit the Socialist Republic of Romania many times, and I feel that I have been able to gain an education that I couldn't have gotten any other way.

I would like to direct my testimony today to three different areas. The first is the basic right of the freedom of religion; then, two, the right to emigrate; and then, finally, the flow of information and literature. I have the written testimony which is submitted for the record, and I am not going to dwell much on that.

In the past, the problems as far as religion are concerned have been very great. There have been severe Government restrictions, limiting the activities of the church in the beginning from every area from baptism and evangelism right on through to the finances of the church.

When I first began traveling in Romania, a pastor with a great deal of courage might invite me to stand where I was in the congregation and to bring greetings from Christians in America, but that would be the extent of my participation. In the last few years, I as well as other foreigners have been allowed to preach there, and I am grateful for that; although, many times as we traveled and preached there the pastors who have allowed us to preach have come under some pressure, though we are grateful for their courage.

In the beginning, Romanian pastors were not allowed to exchange pulpits—they were restricted, confined to their own pulpit. And in recent years there has been some improvement in that area because of the courage of some of the men in there simply taking a stand.

Now progress is being made. Some of the restrictions have been lifted, others have been relaxed, many are still in place; but we are hopeful through dialog that is going on now that more of these restrictions will be done away with in the future.

The problem of emigration is one, of course, that concerns this committee. Sources at the American Embassy in Bucharest and at the State Department here tell me that 4 million-plus Romanians have asked to leave the country. Now, that represents in round figures 20 percent of the people of that nation. That represents more than just a problem in emigration; that has to say something about the internal problems of the country itself. It takes a lot for someone to want to leave their grassroots, the place where they grew up, and go seek another life totally new in a different society, especially in light of when you consider what they have to go through in order to get out of the country. They leave, really, with what they have in their hands and on their backs.

Now, guidelines have been set. To the best I have been able to ascertain, they have been adhered to. I am grateful for that. Romania has demonstrated the ability to deal with problems in emigration if they are properly motivated. The Ambassador told me in a meeting just a few days ago that in the last month alone Romania had handled an increase of over 300 percent of what they had handled on a monthly basis. And I think the motivation should be there for them to continue that in the future.

Now, there is a problem, of course, with the flow of information and literature. It is impossible to have freedom of religion without access to that religion's literature, including Bibles. The problem of Romanians being in prison for receiving and distributing the Bibles has already been addressed, and I don't need to add to anything like that. It is just incomprehensible to me that a country whose constitution guarantees freedom of religion could have a situation where citizens are placed in jail because of their seeking to have the literature that goes with their religion.

I am grateful that in the past few years the Government has allowed the importing of some Bibles; but these are far from being adequate. In my years of travel in Romania I have yet to see a Romanian Bible, printed in Romania, in the hands of a Romanian Christian in Romania. And that is a sad state of affairs.

We are in dialog, hoping to be able to increase the number of Bibles being sent into the country, and we hope that will take place very soon—that they will be increased.

Now, as for the future, the dialog is going on and we hope that it continues, and we hope to be able to announce that some real progress is being made.

In light of that, I recommend that the MFN for Romania be extended for another year. I know something of the economic problems that the citizens of Romania are experiencing, and the taking away of MFN would simply add to those problems. However, I should note that many of the citizens there have told me personally that if removing MFN and causing them to suffer a little bit is the only way to bring about a relaxing of the restriction of human rights, that they are quite willing to go through with that.

Now, I would make this recommendation, too: Every year at this time various organizations, as the review for MFN comes up, begin to bombard the Senate and Congressmen and the Romanian Embassy with demands and threats, and we go through this every year about this time. The Embassy is placed in the position of trying to figure out what they can do in order to satisfy the demands of certain Senators and Congressmen and private citizens. And so they go through the routine of "Here's a letter from 25 Senators asking this man be released, and so we can take care of 25 of them this way," and "so many Congressmen with this one." I would recommend that some guidelines of some sort be set up, even concerning the basic human rights that we have mentioned here—freedom of religion and freedom literature—that these two be included in the review, because human rights is one of those things that you can't have one without the other. It's sort of like love and marriage—they go together.

I would recommend that something be set up. We do get some problems solved this time of year. It's a little bit like giving an aspirin to a man with a broken leg; it helps, but not much.

I thank you. I do recommend that you extend it, and I appreciate the efforts on behalf of the Senate for the citizens.

[The prepared statement of Rev. Donald Kyer follows:]

TESTIMONY

Presented Before

THE UNITED STATES SENATE
COMMITTEE ON FINANCE
Subcommittee On International Trade
227 Dirksen Senate Office Building
Washington, D.C. 20010

August 10, 1982

Concerning

The Extension Of
Most Favored Nation Treatment
for the
SOCIALIST REPUBLIC OF ROMANIA
Under The Trade Act Of 1974

by

Rev. Don Kyer
Founder/Director
Frontline Fellowship
P.O. Box 4230
Petersburg, VA 23803

Telephone: (804) 861-8207

SUMMARY

Testimony of Rev. Don Kyer, Director, Frontline Fellowship.

INTRODUCTION

- Personal interest and involvement in Romania.

THE BASIC RIGHT OF FREEDOM OF RELIGION

- Problems of the past.
    - Severe government restrictions.
    - Undue pressure on Pastors.
    - Lack of proper facilities.
- Progress has been made.

THE RIGHT TO EMIGRATE

- Over 4 million (20% of population) want to emigrate.
- Guide lines have been set and adhered to.
- Romania has demonstrated ability to deal with problems if properly motivated.
- Emigration problem is manifestation of internal problems.

THE FLOW OF INFORMATION AND LITERATURE

- No Bibles printed in Romania.
- Romanians imprisoned for receiving Bibles from the West.
- Romanian government allowed small number of bibles to be imported.
- Dialogue between American citizens, senators and congressmen and Romanian government brought about release of Romanian Christians imprisoned for Bibles.

PROGNOSIS - Improvements have been made. Hope for more in the future.

CONCLUSION

- Extend MFN for this year.
- Establish guide lines in the area of Human Rights.

My name is Donald F. Kyer. I am a natural born citizen of the United States. I reside at 4139 Wedgewood Drive, Petersburg, VA 23803. I am a minister of the Gospel of Jesus Christ of the Baptist faith and now serve as the director of Frontline Fellowship, a Christian mission serving pastors and churches in eastern Europe.

I have been involved in Christian missionary work in eastern Europe since January 1971. During the course of my ministry, I have traveled in all of the eastern European countries except Albania. In this ministry, I have worked mainly with the local pastors of churches rather than the officially recognized leadership of the various protestant groups, although I am personally acquainted with many of them. By working directly with the local pastor, I feel I am in a better position to see and analyse situations and problems than if I worked under the auspices of the official leadership. In the early years of my ministry, I was involved in the clandestine movement of Bibles and Christian literature but for the past six years or so my ministry has been in the areas of preaching, teaching and evangelism.

During these years of work in eastern Europe, I have had occasion to visit the Socialist Republic of Romania many times. These visits have provided an opportunity to observe and gain insight into problems such as will be brought to the attention of this committee.

Since this committee will be inundated with information concerning various problems, I want to direct my testimony into three areas:

1. THE BASIC RIGHT OF FREEDOM OF RELIGION
2. THE RIGHT TO EMIGRATE
3. THE FLOW OF INFORMATION AND LITERATURE

I shall deal somewhat with the problems of the past, the progress which has been made and a prognosis of the future.

THE BASIC RIGHT OF FREEDOM OF RELIGION

Like the national constitutions of most of the eastern European countries, the constitution of Romania guarantees "freedom of religion" and "separation of church and state." In practical terms, in the past, "freedom of religion" has been interpreted as "freedom from religion" and "separation of church and state" has been interpreted as "separation of church and society."

The protestant groups in Romania have experienced phenomenal growth since World War II. Today, in registered and unregistered churches, there are approximately 200,000 Baptists, 100,000 Pentecostals, and 80,000 Brethren plus other smaller groups.

Considering the problems these churches have endured, the growth is even more phenomenal. When I first began traveling in Romania, I was not allowed to preach. A very brave pastor would permit me to "bring greetings" from Christians in

America. Even the Romanian pastors were not allowed to preach except in their own pulpits. Government controls severely restricted the ministry of the churches in every area from baptisms to finances. Physical facilities were extremely inadequate and there was an acute shortage of trained pastors. Bibles and other Christian literature were in short supply.

Progress has and is being made in some of these areas. Some of the problems are the natural result of the mushrooming growth of the churches. Not only do Romanian pastors have the freedom to preach in pulpits other than their own but I, and other foreigners, are also allowed to preach in open public meetings. I have preached in large newer buildings with crowds of 2000 or more and also in smaller buildings with hundreds of people standing outside because there was no room inside. I preached in one church where I had to stand in the drained baptistery so that people could sit in the pulpit area. I also have preached in churches where the pews have been removed so that more people could stand inside. Some government controls have been removed, others relaxed, but many are still in place. There is still a severe shortage of trained pastors and Bibles and Christian literature very difficult to obtain.

THE RIGHT TO EMIGRATE

State Department personnel at the American Embassy in Bucharest and in Washington tell me that approximately 20% of the Romanian population have asked for permission to emigrate. In round numbers, that is more than four million of Romania's approximately twenty two million people. This figure becomes even more amazing when you consider the extreme cost involved for many through loss of job, discrimination of different types, and the fact that, if they own their home or other property, it cannot be sold but becomes the property of the government when they are allowed to leave.

For the purposes of compliance with the requirements of MFN, guidelines for emigration have been established and, as best as I can determine, the Romanian government has met these requirements. However, among the vast number of requests to emigrate are also a great many problem cases. Unfortunately, there have been several cases where those who have asked for permission to emigrate have intentionally created problems for themselves in order to attract attention to their particular situation. This makes it difficult to distinguish between those who have real problems and those whose problems are self made. While any bureaucracy moves slowly, the Romanian authorities have demonstrated a willingness to work on many problem cases and expedite them when possible. It must be noted here that the emigration problems are simply a surface manifestation of a deeper problem when 20% of a nations people want to leave. Even the benefits derived from Most Favored Nation treatment will not solve the problem unless definite, positive measures are initiated within the country by the Romanian government. Until these measures are initiated, high priority must be given to allowing those who want to pursue a better life elsewhere the right to follow their dream.

THE FLOW OF INFORMATION AND LITERATURE

I am sure there are areas of cultural and educational exchange between our countries and between Romania and the other nations of the world of which I am not familiar. However, I am gravely concerned over the absence of Bibles and Christian literature. While the authorities have allowed the printing of a few books in limited quanity, in my years of traveling in Romania, I have never seen a Bible, other than a Romanian Orthodox Bible, which has been printed in Romania. The Bibles carried by Romanian Christians, for the most part, have been brought in by clandestine methods from the West.

In recent years, the Romanian government has agreed to allow some Bibles to be imported but the number was not nearly sufficient to meet the needs. Even in the past several months, Romanian Christians who have been involved in receiving Bibles brought in by clandestine methods from the West have been arrested and sentenced to prison. They are usually charged with something other than receiving and distributing Bibles, however.

In August 1981, five Romanian Christians were released from prison through dialogue with the Romanian authorities. On July 27, 1982 an order which freed 37 prisoners included 11 Christians imprisoned in January and 5 who had been imprisoned in June because of Bibles and literature. Many members of the United States Congress participated in the dialogue which brought about these releases. Those who were released from prison as well as those involved in the discussions to bring about their freedom are deeply grateful to the members of Congress and to the Romanian government for a positive end to the dialogue.

However, the problem is still there. It is difficult to understand how, in a country whose constitution guarantees freedom of religion, a person can be sent to jail for receiving and distributing Bibles. I am hopeful that, over the next several months, through dialogue with the Romanian authorities, situations such as these will be eliminated.

THE PROGNOSIS

While much progress has been made in the area of religious freedom, there is a need for much more. Over the next several months, I am hopeful that the Romanian authorities will allow new churches to be built to ease the shortage of church buildings and the overcrowding of existing facilities. I understand there is a shortage of housing and other construction may have a higher priority than new churches as far as the government is concerned. However, contributions from churches in the West to help with the construction of new churches would be an additional source of hard Western currency for the Romanian economy. I am also hopeful that progress can be made in the availability of Bibles and other religious material, including training materials for lay pastors. I would also hope for an increase in the number of men admitted for training in the seminaries in Romania so that the wide difference between the number of churches and available pastors would decrease.

Romania has demonstrated that it has the ability to resolve difficult emigration problems by handling an increase of more that 300% in problem cases during July 1982. Now that they have demonstrated their ability, it is hopeful they will continue these efforts over the next year.

CONCLUSION

In light of the very real progress which has been made over the past several years in the problem areas which I have cited and with the prospect of additional progress in these areas in the future, I urge this committee to report this matter favorably so that MFN for Romania will be extended for another year.

I am aware that the problems which I have discussed in the areas of religious freedom and the flow of information and literature, including Bibles, have nothing at all to do legally with MFN. Observance of and adherance to basic human rights such as freedom of religion is not a requirement for MFN. Each year at this time, various interest groups begin to bombard congressmen and senators and the Romanian embassy with accusations, demands and threats. Congressmen and senators in a very short amount of time, try to learn the truth about some very complicated problems. At the same time, the Romanian embassy tries to sort through a multitude of inquiries and problems, trying to determine which should have priority to be resolved before these hearings convene. Members of congress and the Romanian embassy should be commended for their efforts.

Now I will admit that, confusing though it may be, we do get some problems solved this way. This is somewhat akin to giving an aspirin to the man with a broken leg. It helps ....but not much. Individual problems may be taken care but the root cause of the problem is still there.

I strongly suggest that some guide lines be established to include other rights as well as emigration. I honestly believe that some of the confusion is caused by the Romanians not really knowing what we expect of them and, at the same time, our lack of understanding of the problems facing the Romanians.

Over the next year, I hope to continue the discussions we are having with the Romanian authorities and I hope to return next year with a positive report of what has happened.

Thank you.

Senator **Danforth**. Gentlemen, thank you both for very helpful testimony. I think you have done a very good job of stating your concerns for the lack of religious freedom in Romania. I also think that your recommendation is sound.

The fact of the matter is, if we are talking about how to advance the cause of religious freedom in Romania, the availability of this kind of review I think does do more to advance that cause than if we were to cut it off.

As you stated in your opening comments, Reverend Collins, this time of year is an opportunity to come here and express concerns, and it does serve a useful purpose. I think you both utilized that very well this morning.

Senator **Moynihan**. Well, Mr. Chairman—Reverend Chairman—I would like very much to rejoice in your remarks, and I thank Reverend Collins and Reverend Kyer. You have the most difficult of enterprises, but not unknown to your ministry in its long history. Such influence as we can exert, obviously we ought. It is important to us that you come before us with these views, and they will weigh very heavily. We know how utterly disinterested they are, and they are all the more impressive for being such. We thank you very much for your appearance and for your work.

Senator **Danforth**. Senator Bradley?

Senator **Bradley**. Mr. Chairman, I would simply like to echo what both you and Senator Moynihan have said to the witnesses. I think their testimony was very important, and I think that Reverend Kyer might have made a point that has relevance for some of the later witnesses as well when he said that this is an annual process, and toward time for reconsideration of MFN for Romania you start to get people coming in with this request and that request.

I think that it is important for us to treat the issue on the basis of the larger issues here, such as freedom of religion or freedom of expression, and in particular would I call the committee's attention to a witness who will testify, according to my list, last today, Mr. Lazlo Hamos, who I think has documented in great detail the plight of the Hungarian minority in Romania. It is a significant issue that I hope that the committee will look at in some great detail, not only this consideration for MFN but in any future consideration. I think that at least some of the facts that are brought to the committee today in Mr. Hamos' testimony are extremely revealing, and they concern me greatly.

So I would like to thank the chairman and also Reverend Kyer for helping us all focus on what are the larger issues, issues such as freedom of religion or suppression of a very large minority in a country such as Romania. These concern this committee and the Senate as a whole as we look at extending MFN for another year.

Senator **Danforth**. Senator Dole?

Senator **Dole**. I have no questions. I would ask that I might put a statement in the record, because I am not satisfied with the situation in Romania. I think it has been pointed out that we have had a big improvement, but they come on an annual basis right before the hearing. It would seem to me, whether it is the Hungarian minority just referred to by Senator Bradley—that is a continuing problem—or whether it is the points stressed by the witnesses this morning—the suppression of Christians and Jews seeking to follow their religious beliefs—and some reports of violence directed by the government toward the Hungarian minority, it would seem to me that this annual ritual perhaps—I know there has been strong testimony for it, but even in the President's recommendation he expressed grave concern. So I would say that there is some reluctance on the part of the administration.

Senator Helms has a resolution, 428, which would disapprove the recommendation. I am not so certain. I understood the House committee has just acted on a similar resolution and turned it down. But it would seem to me that it might be appropriate if in fact we do extend MFN that we also at the same time express the sense of the Senate concerning consultation with the Government of Romania, and I have a resolution that I might bring up at the appropriate time that would indicate the concerns that you have expressed and other witnesses will express. So I would hope that we might take the resolution up perhaps tomorrow morning—we hope to have a brief markup on another matter.

I appreciate very much your statements.

Reverend COLLINS. Mr. Chairman, I have with me today Dr. Curtis Nims, minister-at-large for the American Baptist Convention and a special correspondent for East/West News, who went into Romania in February. I was wondering if he might be permitted to make a brief statement.

Senator DANFORTH. Well, I'm sorry that we have had to limit, as you know, the number of witnesses and the number of statements; but we do appreciate it, Mr. Nims.

Reverend COLLINS. Could I ask that his statement be recorded in the record?

Senator DANFORTH. Certainly.

Reverend COLLINS. Thank you.

[The information follows:]

August 10, 1982 - 9:30 A.M.
Dirksen Senate Office Building, Room 2221
SENATE HEARINGS ON ROMANIAN M.F.N.

TESTIMONY OF DR. CURTIS R. NIMS BEFORE THE SUBCOMMITTEE ON TRADE OF THE COMMITTEE ON FINANCE UNITED STATES SENATE:

Since my retirement from the active pastorate six years ago, I have been travelling throughout the world on behalf of International Christian Aid, Perbonum Foundation and F.R.I.E.N.D Foundation. My objective has been to find the pockets of need suffered by Believers because of their commitment to the practice of their faith.

In the course of my travels I have been in Romania at least three times a year for the past six years. During these visits I met with Christian activists of different faiths getting much needed material and spiritual help to them.

In 1978 and for a short time thereafter my visits were welcomed and encouraged by the Romanian government. Evangelical churches were urged to welcome me to their pulpits and pastors seminars. I was even given an "In Serviciu" visa through the Romanian Embassy in Washington, D.C. This initial "red carpet" reception was undoubtedly brought about by the fact that I was engaged in negotiation with Mr. Rosianu, President of the Department of Cults, in regard to a free gift of 100,000 Bibles, translated into the Romanian language, and $100,000 worth of badly needed medical instruments to be made available through all the churches of Romania, as a symbol of the value of close ties between the United States and Romania and especially the Believers of our two countries.

Mr. Rosianu, as President of the Department of Cults, cynically "agreed in prinicple" with the proposal, until the Belgrade meetings of Review of the Helsinki accords compliance of Basket Three in the Council of Freedom and Cooperation in Europe. After the presentation of the "agreement in prinicple to the C.S.C.E. in Belgrade" i.e the Believers in Romania receiving brotherly, Christian aid from the West, all negotiations on the part of Mr. Rosianu ceased, in spite of the unofficial indication of approval of the project by some of our Embassy officials in Bucharest.

From the time of the conclusion of the Belgrade meetings of the C.S.C.E. the Securitatae arm of the Department of Cults endeavored to always have an "informer" with me as a translator whenever I was in Romania. However, some of the appointed "translators" privately shared with me their commission from the authorities to report on all of my activities, this order to them was then observed more in the breach than the practice.

This posture of Romanian officials finally culminated in January of 1982 when I was officially "ejected" from Romania. The reason: I had tried to arrange through officials of our Embassy in Romania, for two other well known Baptist pastors and Dr. John J. McLario, an internationally recognized attorney from Menomenee Falls, Wisconsin to attend, as observers, some trials scheduled for activist Believers whose only "so called Crime" was an endeavor to practice their faith, and distribute much needed Christian literature. The only reason given to me by the authorities for my being the first American citizen to be forcibly ejected from Romania in a number of years was that "I had been associating with the wrong people." Evidently the "wrong people" they had in mind were officially recognized pastors and activist Christians who refuse to remain silent about the continued persecution and harassment of people who only wish the freedom to worship their God in peace without molestation.

It is true that during the past few years I have been responsible for bringing out of Romania some photographs, a few of which I offer to this commitee in evidence, as well as some documentary evidence, which I am making available now. These documents show the continuing harassment of ~~a few~~ of those individuals and groups who refuse to follow the official communist dogma of atheism.

Unfortunately, I have also learned of the involvement of some of the officials of the recognised denominations in Romania with the "secret police," the Securitatae arm of the Department of Cults. Such information as this that is in my possession, I prefer not to detail in a public hearing, because of my concern for some of the individuals involved who would suffer drastic reprisals. However, I shall be happy to privately share any information I have with any responsible individuals you may wish to designate. This confidential information has been shared with responsible individuals having connections with the C.S.C.E., Radio Free Europe, and some State Department officials.

Multitudes ~~of the~~ Believers of Romania, with whom I have had personal contact, are requesting that Most Favored Nation status in Trade be denied to the Romanian Government for at least one year to help insure that: XXX

1. There be a vast improvement on the part of that nation in compliance with the Helsinki accords having to do with "freedom of conscience and religion."
2. A track record of continuing compliance and the abatement of the present policies of harassment of the ethnic Hungarian population, the ethnic German Evangelical Believers, and the active Romanian Christian Believers be established.

~~In general, let~~ me say this for the record~~s~~: I have found the Believers of the Communist bloc of nations to be gentle, but reluctant rebels, most of them openly proclaim that they have no quarrel with their socialist-communist-atheistic governements on political grounds. "We believe GOD chooses our leaders, for good or ill," many state sadly.

But Romania's growing number of active evangelical Christians pose the only real challenge today to the pervasive atheistic-communist regime and the continued repressive tactics of President Nicolae Ceaucescu. For the past four years the defiant Evangelical Christian Community of Believers has lived in increasing fear.

Police continue to break up "unauthorized" prayer meetings and penalize worshippers with excessive fines. Evangelical teachers or factory workers and foremen are denied promotions, many are summarily demoted. Evangelical children are stripped of their membership in official youth organizations, without which admission to a university or promotion to a supervisory position is impossible.

Bibles are still in short supply for an increasing number of Believers. A few cosmetic "token" amounts are permitted to be printed occasionally by the Orthodox press, all of whose ministers and officials are paid by the "State." And it is still true "Whose bread I eat -- His song I sing." This is why many Bibles are still carried in unofficially by Western Gospel messengers.

Despite all of this, and although they are strictly forbidden to proselytize, the number of Evangelicals continues to grow, according to diplomats and other foreign observers.

The challange to the pervasive regime of President Ceaucescu not political, but ideological -- is clear.

"We are dangerous because we say there is an alternative," many pastors report to me. "The government's economic failures in spite of M.F.N. have forced them to step up their anti-ideological campaigns. The only ideological opposition left in Romania is the Christian community -- at least we're the only ones who speak out publicly."

Christian mothers state to me: "They are unrelenting in striking at us through our children." Their lips quiver, their gentle, thin voices tremble as they recount: "Our children are even told in school that they have ruined any chance for a future if they believe in God."

The government's reaction continues to be swift as they persecute the known Christian activists. Signers of petitions for emigration or appeals for mercy are arrested, questioned, interrogated, often with beatings and other forms of intimidation, placed under house arrest, and repeatedly questioned again and again, all the time while being under strict surveillance.

Sometimes they are not charged, although they say police call them "enemies of the state." They then lose their jobs, and after a short period of time are declared to be parasites of the socialist economy, a formal crime as they are then charged with "parasitism" and often given jail terms or sentenced to a "forced labor camp" under extreme duress. During jail or labor camp terms, the Christian's family is persecuted."

Gheorghe Nenciu, a former vice president of the Government's Department of Cults, stated a policy that seems to have continued with Mr. Rosianu, presently president of that department. "Many dissident Believers would like to play the role of martyrs, but we usually stop short of giving them that ultimate satisfaction." I believe that is the only reason many, many more have not paid the supreme penalty for their faith, as is true of some, evidenced by some of the photographs I am presenting to this committee.

Some materials which members of this committee and the House committee have received from an anonymous source labelled "officials of the Baptist Union of Romania," are only calculated to minimize the tension between the Government and Believers. We should remember that most denominational officials are paid functionaries of the state, with special privileges and perquisites not enjoyed by the general population. "There is some liberty of worship here in church" some dissidents agree, "but not a freedom of the exercise of religion, and there is a great persecution as well."

Many Western diplomats agree that the government is greatly worried about their M.F.N. status. But, that they will not comply with the Helsinki accords voluntarily if they can keep this special status of the M.F.N. benefits and their repressive totalitarian dictatorship too. After all, they have succeeded in largely quieting their liberal writers and other political dissidents. Now they only fear the Evangelical Believers.

Senator DANFORTH. The next witnesses are Jacob Birnbaum, Lucien Orasel, and Nina Shea.

Mr. Birnbaum?

STATEMENT OF JACOB BIRNBAUM, NATIONAL DIRECTOR, THE CENTER FOR RUSSIAN AND EAST EUROPEAN JEWRY, NEW YORK, N.Y.

Mr. BIRNBAUM. Thank you, Mr. Chairman.

I very much welcome Mr. Bradley's remarks and Senator Dole's remarks concerning the broadening of the issues under discussion here from emigration to various human rights areas in terms of religion and in terms of minority discrimination. To that end, a group of Christian and Jewish organizations recently formed the North American Coalition for Human Rights in Romania—a coalition which in the coming months is going to expand rapidly and has already reached out into a number of legislatures in this country, which have vehemently protested against Romanian persecutions.

I am a little distressed at the somewhat academic way in which the proceedings were conducted, certainly in the earlier part of the morning. It is a startling contrast for me with what I experience on a daily basis in terms of human suffering in Romanian. Not a day goes by when I don't get some kind of frantic plea from Romania for help. I just have to bring up two cases at this point.

A young couple called the Ratescus first applied to leave in January 1970. That's nearly 13 years ago. They went on a hunger strike just under 5 weeks ago, and the last few days have been backward and forward with the Romanians giving hints that they would be released, they might be released, and so on. As of yesterday, as from the fifth week of the hunger strike, the Romanians informed them again they would have to wait—maybe a couple of months.

Mrs. Ratescu told me that she feels that they cannot hold out any longer, and she said, "The only freedom we retain is the freedom to die, and we are going to exercise that freedom."

Some 30 years ago about a dozen persons were implicated in an alleged offense, a relatively minor offense. Three of these people, still surviving in Romania are still being heavily penalized. They are 70 years of and over. One of them is called Nathan Fleischer; the other is called Herman Rubinger; the third is called Samuel Feiden. In their old age they want to join their relatives in Israel and in Canada, but they are making no progress in that appreciation. They are being punished and punished and punished in the usual style of totalitarian countries.

There are many other cases, none quite so severe as this, but there are many. I would plead with this committee to make immediate intervention for these people, because I am fearful of the consequence otherwise.

Now, President Reagan made a statement on June 2 in which he said the following:

"Rumania's negativistic emigration policies clearly contravene the intent and purpose of the Jackson-Vanik amendment." And then he went on to describe in some detail the extent of those human rights infractions.

I would hope that we would utilize in our deliberations and in our actions with relation to the Romanian Government the leverage which we have. For decades we have not utilized that leverage. We have not even developed brinksmanship in this area, and the result has been a recurring pattern of vague promises at this time of year and no action.

I have to say that the initiatives of Senator Jesse Helms and Representative Shultz must be welcomed. I would put it this way: I and my colleagues on the coalition deeply respect their initiatives. However, I think it is also fair to say that we have not in any shape or form been campaigning in these weeks on the resolution of disapproval.

Senator **Danforth**. Thank you very much, sir.

Mr. **Birnbaum**. No, sir. I would like to make a couple of constructive proposals. I believe that I am entitled to another 2 minutes.

Senator **Danforth**. No, sir. I am sorry, your time is up.

Mr. Orasel?

Mr. **Birnbaum**. I would like to make some constructive proposals, if I may, Mr. Chairman.

Senator **Danforth**. No; you may not.

[The prepared statement of Jacob Birnbaum follows:]

STATEMENT OF JACOB BIRNBAUM, NATIONAL DIRECTOR, CENTER FOR RUSSIAN AND EAST EUROPEAN JEWRY, BEFORE THE INTERNATIONAL TRADE SUBCOMMITTEE OF THE SENATE FINANCE COMMITTEE, AUGUST 10, 1982.

This is the eighth year that the Congressional trade committees are considering the extension of the waiver of the "freedom of emigration" Section 402 of the 1974 Trade Act.

Romania Has Never Given Formal Assurances on Emigration, As Has Hungary

The legislation was based on the understanding that formal assurances of compliance would be received from the non-market country under consideration. Section402 itself was a considerable political compromise on the principle of free emigration. The manner of its interpretation since 1975 in the case of Romania attenuates it still further, since the Administration has never really insisted on the required assurances, as it did in the case of Hungary. The State Department has always urged Congress to accept "performance" (after the hearings) as the guideline.

By contrast, the Hungarians, after intensive discussions, wrote on March 15, 1978 that they were prepared to "ACT IN ACCORDANCE WITH THE LETTER AND SPIRIT OF THE HELSINKI FINAL ACT AND DEAL WITH [EMIGRATION APPLICANTS] PROMPTLY, CONSCIENTIOUSLY, AND WITH GOODWILL." After almost a decade of poor performance, we should seek much stronger guarantees from Bucharest.

Emigration Procedures and Migration to Israel Worsened Since 1975

During the more than eight years of US-Romanian contacts on emigration, the only changes in Romanian emigration policies have been for the worse, with one exception:

1. On account of the weakening of its position with Congress in the summer of 1979, Bucharest decided to raise the flow of Romanian migration to the US. Suddenly, in the fall of 1979, the monthly flow doubled to 200 and more, though the punitive separation of many targeted families has continued unabated until this day.
2. After Romania obtained MFN and after the Helsinki Final Act (both of 1975), Bucharest introduced more obstacles, notably new pre-application processes, described in my previous testimonies.
3. The extraordinary decline of the annual Romanian Jewish outflow to Israel from 4000 to 1000 in the last few years bears no relation to the demographic decline of an aging population, made so much of by the Romanian authorities.

Year by year, we receive soothing Romanian assurances, unaccompanied by improvement in basic emigration performance.

Romanian Failure to Keep 1979 Jewish "Agreement"

This "Heads of Agreement" between Romania's chief US expert Corneliu Bogdan and the representatives of two Jewish organizations on July 6, 1979, consisted of a one-page "aide memoire", and was never signed by the Romanians, nor publicly announced by them. It was a diversionary maneuver at a time when we had severely weakened the Romanian position in Congress. The key words of the document, "application forms will be readily available and will be processed expeditiously", were never implemented. On the contrary, THE 1979 ROMANIAN JEWISH OUTFLOW WAS THE LOWEST OF THE DECADE!

J

Recent Developments in the Struggle for Emigration From Romania

A number of developments have increased our leverage potential with Bucharest in recent months --

A) The continued deterioration of Romania's economic position, second only to that of Poland. With great debt rescheduling problems, loans and credits are hard to come by. For example, Ex-Im Bank funding for the GE nuclear plant has been frozen.

B) The emergence of a US Christian protest movement against the savage persecution of religious Christians in Romania. The state legislatures of Kentucky, Georgia, Nebraska and Michigan have either passed or introduced resolutions advocating Romanian MFN suspension (Michigan copy attached). Similar efforts are proceeding in Indiana, Mississippi, Tennessee, Kansas, Florida and elsewhere. The process will inevitably spread across the country in coming months.

C) During the spring, we commenced a major Congressional campaign. A liberal/conservative balance of Democrats and Republicans circulated letters to President Reagan and Romanian President Ceausescu in the hope that a massive accumulation of signatures would make unnecessary the introduction of Resolutions of Disapproval, by conveying to the Romanians a signal that a substantial expression of Congressional concern indicated a potential endangerment of their MFN extension, if they did not respond. The letters were initiated by Senators Moynihan, Armstrong, Helms, Mitchell, and by Reps. Solarz and Dornan. We terminated the campaign in the House after gathering 120 signatures, and in the Senate after reaching over the half-way point, 51 signatures.

D) Bolstered by this campaign, the White House's National Security Council overrode the State Department's usual line and issued a severe condemnation of Romania's "NEGATIVISTIC EMIGRATION POLICIES WHICH CLEARLY CONTRAVENE THE INTENT AND PURPOSE OF THE JACKSON-VANIK AMENDMENT." Though President Reagan recommended MFN extension for another year, he stated, "UNLESS A NOTABLE IMPROVEMENT IN ITS EMIGRATION PROCEDURES TAKES PLACE AND THE RATE OF JEWISH EMIGRATION TO ISRAEL INCREASES SIGNIFICANTLY, ROMANIA'S MFN RENEWAL FOR 1983 WILL BE IN SERIOUS JEOPARDY" (June 2, 1982; relevant extracts of Presidential statement attached.) In a June 18th letter to Cong. Solarz, copy attached, the White House reiterated these statements, stressing that the President waived the prohibition of MFN renewal "FOR THIS YEAR ONLY".

E) On June 3, 1982, Dan Morgan of the Washington Post published a major article on page 2 entitled, "Reagan Says Emigration Rate in Romania Jeopardizes Trade". In addition to reporting the Presidential recommendation, it quotes extensively from the Congressional letters concerning the troubles of the Christians and the Hungarian minority. The article caused quite a stir and startled the Romanians.

F) Romanian diplomats moved swiftly to the counteroffensive. The new Romanian Ambassador Mircea Malitsa, a man of some sophistication, visited numerous Congressional offices, often accompanied by a group of Romanian officials. Bucharest's most experienced US diplomat, Corneliu Bogdan, arrived to direct operations. Romanian Foreign Minister Andre spent a few days in Washington, as did Foreign Trade Minister Nicolae Constantin, who held a joint press conference with US Commerce Secretary Baldridge on June 30th. Radio Free Europe reported, "Constantin said Romania is giving special attention to the emigration issue and to the problem of reunification of families." He also remarked, "One should not make a problem out of something that is not a problem."

G) During May and June, Romanian approvals for emigration to Israel rose to over 200 a month, bringing the total for 1982 to 801. This compares with a half-yearly total of 411 approvals for 1981 -- the lowest for at least a decade -- and 611 for the 1980 half year. It should of course be remembered that approval is by no means synonymous with actual exit. (As of May 29, 1982, 163 persons who had received approvals in 1980 still had not left the country!) In June 1982, arrivals in Israel shot up to 128 from 51 in May. This made a half-yearly total of 420, compared to 329 in the low half year of 1981 and 421 for the 1980 half year. The totals for the whole of 1980 were only 1043 and for 1981 only 973. Thus, we have to be cautious in appraising the sudden spurt of approvals, so characteristic of this time of year, and hope that it will not just even out to the approximate annual 1000 rate to Israel of recent years. Even if the final total shows several hundred more, this will be a most inadequate response to the emigration needs of the Romanian Jewish populace. *Only a consistent monthly emigration rate of over 200 will even begin to deal with the problem.* We believe that the potential is such that 400 a month could quite easily be reached, provided the deterrent of fear will be removed.

What is the Potential for "Significant Increases" in Jewish Emigration?

The Romanians continue to peddle the line -- still accepted by so many in Washington -- that Jewish emigration is dwindling to a trickle because of an ageing Jewish populace and that we are blowing up the whole thing into a problem which does not exist.

The Romanian contention cannot stand up even in its false demographic disguise because it contradicts our daily experience of A GREAT THIRST TO LEAVE, ready to burst into a raging fever at any time. By contrast, we sense little or nothing of this kind in the larger Jewish community of neighboring Hungary.

In the light of this thirst, the actual number of Romanian Jews should not be considered the most important factor. Unfortunately, the Romanians and their apologists have made it an issue. The two Romanian sets of census figures, 32,000 and 23,000, so obviously contradictory, are gross underestimates, as numerous Jews do not register themselves with the official Jewish offices or as Jews with the general authorities. All East European countries have considerable "shadow" Jewish populations that do not declare themselves for various reasons, mostly associated with a history of fear and persecution. In Romania, a good proportion of those registered with the Jewish offices are old and/or poor, with an interest in the welfare services provided by those offices. Visitors are shown around the old age homes and canteens and, not by accident, return home with the impression that 80% of the Jews are too old to care about leaving.

A dramatic illustration of the "shadow" population is the fact that we have discovered that some 50% of Romanian Jews arriving in Israel had not registered with the Jewish offices for emigration. The number of those not announcing their desire to leave at this time, or not wishing to do so, is certainly closer to 100% more, than 50% more. Our estimate is about 60,000 Jews live in Romania, the same figure given by a Romanian UN diplomat in 1979.

2000 Romanian Jews Registered to Leave as of May 29, 1982

Until a couple of weeks ago, Bucharest had not supplied Washington with the names of registrants for emigration to Israel beyond the beginning of October 1981, and we had only 652 names. Despite so many missing months, my contention that this low figure should not be used without careful qualification was ignored. Incidentally, this tardiness in letting us have the list of registrants illuminates the non-operation of the "mechanism" supposed to exist between US and Romanian Jewish organizations, arising out of the 1979 "Agreement", a mechanism much discussed in State Department responses to inquiring legislators in recent years.

Registrations until May 29, 1982 finally became available. An analysis made by Ira Kleiman of Washington, DC showed a total of 1394. In addition, a comparison of these lists with arrival and approval lists indicated that approximately 50% of persons arriving in Israel had not registered with the Romanian Jewish offices. It can therefore be confidently stated that some 2000 Romanian Jews are formally registered to leave for Israel. This does not include the many who

1 - have not gotten beyond the pre-application process
2 - have been turned away in their attempts to register at police stations
- are afraid to apply for fear of the consequences to them and their families.

Our Estimate for Annual Potential of Emigration is 4 - 5000

We have no doubt that, without the deterrent of fear, registrations for Jewish emigration could quickly revert to the annual 4000 of 1973 - 4, even to 5000.

Mr. Kleiman's breakdown of the 1394 registrants shows that 94 of those registered in the years prior to 1981 have still not received approvals and a further 163 approved in 1980 were still waiting to leave as of May 29, 1982! This makes a total of 257 known cases waiting, many much longer than the two years since 1980. His study shows that as of October 1981, the backlog of those approved during the previous 21 months was 324; as of May 29th that number had been reduced by only 63 to 261.

"Up and Down" Romanian Manipulations of the Approval and Emigration Rates

The endless delays engendered by the frequent, arbitrary manipulations of the Romanian authorities, even after approvals have been granted, is another obstacle that needs to be discussed with Bucharest. When it suits them, however, the authorities can enormously expedite the whole emigration process or parts of it, for example, the current spurt of approvals or the doubling and tripling of the flow to the US and West Germany in recent years.

Congressional Call to "More Than Double" Romanian Emigration Rates to Israel, 1981 - 2

These were initiated by Senator Henry Jackson on July 22, 1981, in a letter to Senator John Danforth, chairman of the International Trade Subcommittee of the Senate Finance Committee. He wrote: "It is necessary for the Romanian leadership to do much better with respect to emifration to Israel. . . They should more than double the annual number they are approving for emigration to Israel." In his letter to the House Trade Subcommittee in June he had not been so specific. After many years of restraint and caution, he had finally decided to make this public statement.

Shortly thereafter, a House petition of August 3, 1981, inaugurated by Reps. Millicent Fenwick and Stephen Solarz, repeated the demand, which was once more reiterated by the Moynihan-Armstrong-Helms-Mitchell and Solarz-Dornan letters of June 1982 (copies attached). The legislators were talking in terms of a minimum emigration rate of Romanian Jews on the order of 200 a month. In the light of the problem, this is hardly an overwhelming figure. If Bucharest could double and triple Romanian emigration to West Germany and the US during the past decade, the same could be done for Romanian emigration to Israel.

Lack of Substantive Romanian Concessions or Goodwill Gestures

We are disturbed that, despite President Reagan's powerful signal, the massive Congressional letters, the Washington Post and New York Times publicity, the Romanians have not troubled to offer any real concessions or gestures of goodwill, such as the release of the groups of particularly suffering people as represented by the Orthodox priest Calciu, the Jewish "refusenik" Nathan Fleischer, or the Evangelical Klaus Wagner. The current spurt of approvals may be construed as a gesture but on the basis of past experience it is, as yet, essentially meaningless because it is not accompanied by any assurances, certainly not any guarantees, that the rate will be maintained and increased over the whole year.

Why Has Our Promising Position Vis-a-Vis Bucharest in 1982 Borne so Little Fruit so Far?

It appears to us that after their experiences in Washington during almost a decade, the Romanians are confident that they can pull off the same bluff this summer as in previous summers. As we have never even engaged in any real brinksmanship, based on our leverage potential, they surely calculate that we will never reach the point of supporting a one year MFN suspension.

Thus we permit a minor dictatorship to treat us with contempt every year. Section 402's effectiveness is diminished almost to the vanishing point; it may be true that until now it has prevented the almost total shutdown of Jewish emigration, but we should be doing much better than that.

How independent of Moscow can our support of Bucharest render the Romanians? Which is the more critical factor for the U.S. -- Romania's limited independence in foreign affairs or Moscow's fundamental overlordship?

Our overcautious handling of the Ceausescu regime on MFN is predicated on what any Romanian peasant knows in his bones to be an illusion -- the notion that Bucharest can somehow be diverted in some fundamental fashion from Moscow's iron embrace within our time. Bucharest's show of relative independence in foreign affairs is much less important than the degree of Moscow's general overlordship.

U.S. Failure to Utilize Full MFN Leverage

While we have been careful to avoid even discussing a Resolution of Disapproval with our Washington contacts for the many weeks of our campaign in the hope that the Romanians would respond to our signal, we deplore the near hysteria which throbs through Washington at the thought of such a measure, because it strips us of our leverage from the beginning. We believe that *if the Romanians sensed our underlying determination to make such a move, if necessary, we would swiftly obtain the required concessions* prior to a Resolution. Or if the point of suspending Romania's MFN for a year actually arrived, no calamity would ensue and the Romanians would hasten to the negotiating table.

U.S. Need to Focus on Specifics and Credible Assurances

Our old policy of exhorting the Romanians "to try to do better" has not and will not work, unless and until we make it quite clear -- very persistently -- what we seek in specific terms, as listed below, accompanied by CREDIBLE, SIGNED ASSURANCES that they will be carried out.

As a start, we should expect goodwill gestures relating to the release of "refuseniks" and detainees, as described above. Written assurances on the following six goals, plus a ten-point program on negotiating simplification and shortening of emigration procedures --

1 - Formal signed assurances of compliance with Section 402 of the 1974 Trade Act, such as were sought and obtained from the Hungarians in 1979.
2 - Reduction of emigration waiting time to 2 months and simplification of emigration procedures, particularly removal of new pre-application processes.
3 - Removal of emigration backlogs to the U.S. and Israel.
4 - "Significant increase" (President Reagan's words) in Jewish emigration. Reversion from the recent pitiful annual lows of 1000 to the 4000 before MFN was granted.
5 - Cessation of the Romanian government's persecution of religious Christians and other dissidents, and of the cultural deprivations suffered by the Hungarian minority.
6 - Credible Romanian guarantees of progress in these areas. Challenge them to commit themselves to maintain a monthly 200-plus approvals and exit record on a year-long basis.

Simplified and Shortened Emigration Procedures and Elimination of Harassment are Necessary

1. Abolish pre-application procedures at police stations (FICA).
2. Letter of intent received abroad or by foreign embassy in Bucharest should establish commencement of emigration process.
3. Eliminate requirement to appear before councils consisting of local representatives of the police, the security police, the army, the Communist Party, the work place and residence management.

4. Application forms should be readily available at all times and places.
5. Establish time frame of 2 - 3 months from moment of application until departure, at most 6 months for special cases.
6. Set up regular procedures which will avoid arbitrary decisions or non-decisions.
7. After formal approval is granted, ensure speedy and straightforward process until departure, avoiding irregular, arbitrary delays.
8. Refusals should be accompanied by explanations, then proper appeal process.
9. Ease the burdens of departing emigrants by
   a) cutting down multiple documentation
   b) permitting him/her to take life savings and used household and personal possessions without imposition of duties
   c) reducing the variety and total of emigration fees.
10. Eliminate harassments such as
    a) job dismissals and demotions and expulsions from university
    b) intimidation at workplace, in school, and by neighbors
    c) threats of military or work conscription.

In short, we believe that a clear enunciation of our requirements will help provide the necessary goad and incentive to comply, at least to a substantial degree, with Section 402 of the 1974 Trade Act.

Special Emigration Cases

Of the many suffering at the hands of the Romanian authorities, we would seek the Committee's help for the following:

The Vatra-Dornei group, mercilessly penalized for nearly three decades. The three survivors, Nathan Fleischer, Herman Rubinger, Samuil Feiden, should now be amnestied from their fines and permitted to join their relatives abroad, in the same way that a group of 18 who had been penalized for two decades were amnestied and released in the summer of 1980 through Decree 199 (see Romanian letter to Senator Abraham Ribicoff of July 14, 1980).

Sergiu and Ruxandra Rateseu, waiting to leave since 1970. Obstacles raised continuously by Ruxandra's father, a high-ranking medical official. Congressional pressure has helped with similar cases before.

PRESIDENT REAGAN'S

RECOMMENDATION FOR EXTENSION OF WAIVER AUTHORITY

June 2, 1982.

I recommend to the Congress that the waiver authority granted by subsection 402(c) of the Trade Act of 1974 (hereinafter "the Act") be further extended for twelve months. Pursuant to subsection 402(d)(5) of the Act, I have today determined that further extension of such authority, and continuation of the waivers currently applicable to the Socialist Republic of Romania, the Hungarian People's Republic, and the People's Republic of China will substantially promote the objectives of section 402 of the Act. However, I am concerned about Romania's emigration record this year and suggest it be reexamined. My determination is attached to this Recommendation and is incorporated herein.

The general waiver authority conferred by section 402(c) of the Act is an important means for the strenthening of mutually beneficial relations between the United States and certain countries of Eastern Europe and the People's Republic of China. The waiver authority has permitted us to conclude and maintain in force bilateral trade agreements with Romania, Hungary, and the People's Republic of China. These agreements continue to be fundamental elements in our political and economic relations with those countries, including our important productive exchanges on human rights and emigration matters. Moreover, continuation of the waiver authority might permit future expansion of our bilateral relations with other countries now subject to subsection 402(a) and (b) of the Act, should circumstances permit. I believe that these considerations clearly warrant this recommendation for renewal of the general waiver authority.

I also believe that continuing the current waivers applicable to Romania, Hungary and the People's Republic of China will substantially promote the objectives of section 402 of the Act.

Romania: Emigration from Romania to the United States has increased substantially since the waiver has been in effect. In 1981, nearly 2,400 persons emigrated from Romania to the U.S. This is nearly six times the pre-MFN level of emigration and represents an optimum number of emigrants under U.S. immigration procedures in effect that year.

However, I am gravely concerned about the Romanian Government's failure to improve its repressive emigration procedures and the significant decrease in Romanian Jewish emigration to Israel, which is disturbing. This emigration has dropped from an annual rate of 4,000 prior to the 1975 extension of MFN to Romania, to the current (1981) low level of 972. Furthermore, contrary to the 1979 agreement with American Jewish leaders, Romania continues to maintain a considerable backlog of unresolved long-standing emigration cases. This backlog at present involves at least 652 cases.* Also, contrary to the 1979 agreement, the

* (later figures 1394 + approx. 50% not registered with Jewish community offices brings emigration baclog into region of 2,000).

Romanian Government has not improved its emigration procedures. The process is cumbersome and plagued with obstacles for those who merely wish to obtain emigration application forms. All these factors demonstrate Romania's negativistic emigration policy which clearly contravenes the intent and purpose of the Jackson-Vanik Amendment.

In waiving the prohibition of MFN renewal for Romania this year, I have weighed the above factors within the context of the satisfactory state of overall U.S.-Romanian relations. However, I intend to inform the Romanian Government that unless a noticeable improvement in its emigration procedures takes place and the rate of Jewish emigration to Israel increases significantly, Romania's MFN renewal for 1983 will be in serious jeopardy.

Hungary: Hungary's performance during the past year has continued to reflect a positive approach to emigration cases. The majority of Hungarians seeking to emigrate receive permission to do so without great difficulty. Few problem cases arise and these can be discussed constructively with the Hungarian Government. Most difficult cases ultimately are favorably resolved. The relatively liberal Hungarian domestic situation seems to defuse any pent-up demand to emigrate and the actual number of citizens who apply to leave Hungary is apparently small.

People's Republic of China: During the past year, China has continued its commitment to open emigration, exemplified by its undertaking in the September 1980 U.S.-China Consular Convention to facilitate family reunification. The Convention was approved by the Senate on December 17, 1981. The instruments of ratification were exchanged on January 19, 1982. U.S. Foreign Service posts in China issued over 6,920 immigrant visas in FY-1980, and over 15,293 nonimmigrant visas for business, study, and family visits. The comparable figures for 1980 were 3,400 and 15,893, respectively. More than 8,000 Chinese are now in the United States for long-term study and research (approximately half of this number is privately sponsored). As has been the case for the past several years, the numerical limits imposed on entry to the U.S. by our immigration law continue to be a more significant impediment to immigration from China than Chinese Government exit controls. The Chinese Government is aware of our interest in open emigration, and extension of the waiver will encourage the Chinese to maintain liberal travel and emigration policies.

In light of these considerations, I have determined that continuation of the waivers applicable to Romania, Hungary, and the People's Republic of China will substantially promote the objectives of section 402 of the Act.

THE WHITE HOUSE
WASHINGTON

June 18, 1982

Dear Mr. Solarz:

The President has asked me to thank you for your letter of June 11, conveying your concern, and that of 121 of your House colleagues, on the extension of Most Favored Nation trading status for Romania.

We appreciated receiving your statement on this matter, and the President has been giving his personal attention to the serious concerns which you and your colleagues have raised. As stated in his June 2 announcement, the President waived the prohibition of MFN renewal for Romania this year only after carefully weighing all factors within the context of the satisfactory state of overall U.S.-Romanian relations. However, the President intends to inform the Romanian Government that unless a noticeable improvement in its emigration procedures takes place and the rate of Jewish emigration to Israel increases significantly, Romania's MFN renewal for 1983 will be in serious jeopardy.

Thank you again for contacting us on this important issue.

With best wishes,

Sincerely,

Kenneth M. Duberstein
Assistant to the President

The Honorable Stephen J. Solarz
House of Representatives
Washington, D.C. 20515

ANIEL P. MOYNIHAN
NEW YORK

United States Senate
WASHINGTON, D.C. 20510

The President
The White House
Washington, DC 20500

Dear Mr. President:

We want to share with you our concern about the severe oppression suffered by Christian groups in Romania, the tremendous decline of Romanian Jewish emigration in recent years, and the major cultural and social deprivation experienced by the Hungarian minority in Romania.

You will soon be making a recommendation to the Congress on the renewal of Most Favored Nation trading status for Romania. We urge that before you make the recommendation U.S. officials engage in serious and intensive discussions with the Romanian Government, making clear that your Administration shares the Congressional view of the need for Romania to humanize its treatment of religious and cultural minorities, and to raise the rate of Jewish emigration to the level of the years prior to the granting of MFN to Romania.

Documents and other information reaching the Helsinki Commission, private organizations such as Amnesty International and Radio Free Europe, demonstrate beyond doubt the seriousness of a situation previously underestimated in official quarters in Washington. They indicate ample use of prisons, labor camps and psychiatric facilities by the Romanian authorities in the apparently deliberate harassment of Baptists, Pentecostals, Orthodox and other religious groups, the exclusion of believers from educational institutions and jobs; forced assimilation of two and a half million Hungarians and the remorseless diminuition of their educational and cultural facilities; extraordinary obstacles placed in the way of would-be emigrants, including job dismissals and demotions, intimidation, military conscription, and the lengthy separation of families and affianced couples. In a region of the world noted for the general deprivation of human rights and civil liberties, Romania has distinguished itself by enforcing the separation of more affianced couples than in all of the rest of Eastern Europe put together.

Though section 402 of the 1974 Trade Reform Act relates expressly to emigration, we believe emigration performance has a broader significance as a visible measure of a government's commitment to other basic human rights. We have therefore been alarmed by the precipitous drop in Romanian emigration to Israel from an annual rate of three to four thousand in the years before the 1975 awarding of MFN status to Romania, to barely one thousand in recent years. The first three months of 1982, moreover, show a monthly average of only 53, compared with 250 to 350 just a few years ago. The monthly rate of Romanian emigration to the U.S. during 1980 and 81 was over 200; Israel, with a far larger Romanian family base than the U.S., should not have less.

Accordingly, we would urge the Administration to note the Recommendations of the Senate Finance Committee in the Fall of 1979 following the hearings of its International trade Subcommittee:

> 'to initiate discussions with Romania intended to lead to more specific assurances regarding emigration, such as those which preceded the granting of MFN to Hungary . . . . The Committee understands the difficulty of such an undertaking but nevertheless believes a renewed, more aggressive effort must be made.

We would also draw your attention to Senator Henry Jackson's 1981 message to the International Trade Subcommittee, with which the rest of us wholeheartedly agree:

> It is necessary for the Romanian (authorities) to do much better with regard to emigration to Israel . . . . They should more than double the annual number they are approving for emigration to Israel.

Finally, we remind you that there are a number of instances of Romanians who have been trying to emigrate to join family members in the West for as long as a dozen years. These long unresolved cases simply must be resolved if Romania is to continue to enjoy Most Favored Nation trading status.

MFN was granted to Romania in 1975 in hopes it would encourage freer emigration and greater freedom at home. Since then, however, emigration has fallen off and repression at home has continued unabated. We hope that your Administration will be able to report to Congress greater progress on these issues than we are currently aware has been made. At this point, we are unpersuaded that another extension of MFN for Romania will have the desired effect.

Sincerely,

William Armstrong

Daniel Patrick Moynihan

George J. Mitchell

Jesse Helms

32 names in all

DANIEL P. MOYNIHAN
NEW YORK

United States Senate
WASHINGTON, D.C. 20510

May 10, 1982

Honorable Nicolae Ceausescu
President
Socialist Republic of Romania
Bucharest, Romania

Dear Mr. President:

As you may know, our annual congressional discussion about whether to renew Most Favored Nation trading status for Romania is now underway. In this respect, we are sorry to have to report that we are much distressed by the continuing stream of information reaching us from numerous sources regarding the difficulties still being experienced by Christian groups in Romania, especially Evangelicals with whom so many Americans have a deep religious affinity, the ceaseless erosion of educational and cultural facilities for the Hungarian minority, and the startling decline in Jewish emigration from Romania in recent years to the current rate of one thousand persons annually.

In light of your Government's frequent declarations of support for the Helsinki Final Act, we look forward with great hope to the correction of these violations, which constitute serious obstacles to improved U.S.-Romanian relations. As emigration performance is so vital a part of MFN extension, we hope it will be possible to simplify Romanian emigration procedures, so to facilitate the reunification of long-separated families and affianced couples. We are particularly concerned that Romanian emigration to Israel during the first 3 months of 1982 has averaged only 54, a striking reduction from the 250 to 350 monthly averages in the years before Romania obtained MFN.

May we remind you of Senator Henry Jackson's statement to the Senate Subcommittee on International Trade last year stating:

> It is necessary for the Romanian (authorities) to do much better with regard to emigration to Israel . . . . They should more than double the annual numbers they are approving for Israel.

We support the view expressed to the Romanian Ambassador in a House letter of August 3, 1981 that the 1141 Approvals for Israel in 1980 should be "more than doubled" and "long standing cases resolved."

We would like to emphasize that we write in a spirit of comity and hope that our differences can be reconciled. The review procedure established when Most Favored Nation trading status was first granted to Romania in 1975 offers an opportunity for a broad evaluation of all the relations between our two countries.

We remain hopeful that this year's evaluation will be an occasion to measure the positive effects that our broadened commercial relation has had on other areas of mutual concern.

Sincerely,

William Armstrong
Damiel Patrick Moynihan

George J. Mitchell
Jesse Helms

51 names in all

SIMILAR LETTERS TO PRESIDENT REAGAN AND ROMANIAN PRESIDENT CEAUSESCU WERE INITIATED IN THE HOUSE BY REPRESENTATIVES STEPHEN J. SOLARZ AND ROBERT K. DORNAN. 120 signatures were accumulated.

The Washington Post

JUNE 3, 1982.

Reagan Says Emigration Rate In Romania Jeopardizes Trade

By Dan Morgan
Washington Post Staff Writer

President Reagan informed Congress yesterday that unless the Romanian government allows a significant increase in Jewish emigration it will be in "serious jeopardy" of losing the preferential trade status the United States granted it in 1975.

The warning was the strongest high-level U.S. criticism in recent years of the internal policies of President Nicolae Ceausescu's communist regime, which earned a special position in Washington in the 1970s because of its relatively independent foreign policy stands inside the Soviet bloc.

At the same time, a letter of protest to Ceausescu, now being circulated for signatures in the Senate by Daniel Patrick Moynihan (D-N.Y.), broadly attacked the Romanian government's treatment of ethnic and religious minorities in addition to Jews.

Citing documents and other information reaching the U.S. Helsinki commission, Amnesty International, Radio Free Europe and private organizations, the letter denounced what it called "ample use of prisons, labor camps and psychiatric facilities . . . in the apparent deliberate harassment of Baptists, Pentecostals, Orthodox and other religious groups."

The letter further charged that there has been a "remorseless diminution of the educational and cultural facilities" for 2.5 million Hungarians living in Romania.

As of yesterday, 31 senators had signed the letter and a spokesman for Moynihan said the number could reach 50 within a few days.

Reagan's warning came in the form of a routine transmission to Congress recommending that "most favored nation" status be extended for another year to Romania, Hungary and the People's Republic of China. This status means in essence that tariffs on goods from these countries will be no higher than on goods from friendly countries.

Under an amendment to the 1974 Trade Reform Act, Congress can vote such concessions for communist countries only after a determination by the president that they have open emigration policies.

The president advised Congress that Hungary's emigration policies continued to reflect a "positive approach" and China was continuing a commitment to open emigration. However, Reagan said that Jewish emigration from Romania to Israel had dropped from a high of 4,000 persons a year to only 972 cases in 1981, with a backlog of at least 652 cases.

At the same time, the president said that the emigration process was "cumbersome and plagued with obstacles for those who merely wish to obtain application forms."

Sixty thousand Jews are estimated to live in Romania.

The strong language indicated a break on the part of the administration with a previous policy of tolerating political repression in Romania because of its independence on such issues as the Middle East and participation in Warsaw Pact military maneuvers.

In the early 1970s, Ceausescu gained a special relationship with the Nixon administration when he played the role of intermediary in the administration's early approaches to the People's Republic of China.

However, some members of the Reagan administration, centered in the National Security Council, now reportedly favor a tough line that would use economic pressure, such as the threat of withdrawing trade concessions, to force internal changes in Romania.

Romania is currently struggling to resolve serious financial problems resulting from heavy borrowing in the West, and is counting on the U.S. government to provide loans for commodity buying and other help. But administration hard-liners want to withhold any help pending political reforms.

Senator Miller moved that Rule 3.33 be suspended to permit him to change his vote from "nay" to "yea" on the passage of the following bill:

House Bill No. 5576

The motion prevailed, a majority of the Senators serving having voted therefor.

Senators Fredricks and Welborn offered the following concurrent resolution:

Senate Concurrent Resolution No. 761.

A concurrent resolution memorializing the President and the Congress of the United States not to renew the Most Favored Nation trading status of the Socialist Republic of Romania.

Whereas, Pursuant to Section 402 (the Jackson-Vanik amendment) of the 1974 Federal Trade Act, the immigration and human rights record of the Socialist Republic of Romania is to be studied annually by the administration and by both houses of Congress to determine whether or not that country is eligible to receive Most Favored Nation trading status for an additional year; and

Whereas, Numerous reports are reaching the United States which indicate that repression of religion is widespread in Romania. Five leading Romanian Baptist pastors of Bucharest, Joseph Sarac, Vasile Talos, Vasile Brinzei, Pascu Geabau, and Buni Cocar, have been falsely accused by Romanian authorities of embezzling funds. Klaus Wagner, a member of the Brethren Church, and Maria and Fibia Delapeta, who are members of the Army of the Lord of the Romanian Orthodox Church, were arrested on October 1, 1981, and tried, sentenced, and imprisoned. Silviu Cioata, Costel Georgescu, and Nicu Rotaru were arrested last year for distributing Bibles in Romania. Moreover, John Teodosiu was arrested and charged on December 16, 1981, for espionage due to his information gathering activities for western human rights organizations relating to the arrests and persecution of religious believers in Romania. These activities were religious, not political, in nature and have resulted in his being held incommunicado by the Romanian Secret Police; and

Whereas, Other reports indicate that relatives of persons arrested for their religious beliefs are being forced by Romanian authorities to sign statements which subject their loved ones to treatment in psychiatric institutions because of their religious beliefs. Moreover, there are indications that those individuals who have been arrested are being tortured with electric shock treatments and with severe beatings; and

Whereas, In August of 1975, the Romanian government signed the Final Act of the Helsinki Accords, pledging to "recognize and respect the freedom of the individual to profess and practice, alone or in community with others, religion or belief acting in accordance with the dictates of his own conscience"; and

Whereas, In view of the Romanian government's unwillingness to abide by the Helsinki Accords and its repression of human rights, it would be unthinkable for the United States of America to condone Romania's actions by granting that nation the Most Favored Nation trading status; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the members of the Michigan Legislature hereby urge the President and the Congress of the United States not to renew the Most Favored Nation trading status formerly accorded the Socialist Republic of Romania; and be it further

Resolved, That the United States Helsinki Commission be hereby urged to block the selection of Bucharest, Romania, as the next location for the review of the Final Acts of the Helsinki Agreement by the Commission for Security and Cooperation in Europe; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan Congressional Delegation, and the United States Helsinki Commission.

Pursuant to rule 3.6, the concurrent resolution was referred to the Committee on Senate Administration and Rules.

Senator Kelly offered the following concurrent resolution:

Senate Concurrent Resolution No. 762.

A concurrent resolution memorializing the Congress of the United States to enact S. 1918, the Northwest-Mideast Federal Hydropower Financing Authority Act.

Whereas, There is currently pending before the Congress of the United States a proposed Northwest-Mideast Federal Hydropower Financing Authority Act. This bill, S. 1918, would permit the states in the northwest and mideast regions of our nation to join together in a regional financing authority from which member states would be able to receive loans and loan guarantees to defray up to 70% of the cost required for hydrodevelopment; and

Whereas, At a time when billions of dollars a year are being sent abroad to purchase foreign oil, the energy potential of many bodies of water in the northwestern and mideastern sections of America remain untapped. While the development of hydro-electrical facilities is tremendously cost-effective in the long run, such development requires a tremendous amount of initial capital investment. The amount of money required is often beyond the ability of local and state governments to pay; and

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ROMANIAN JEWISH EMIGRATION TO ISRAEL 1972 - 1982

1972	3000
1973	4054
1974	4132
1975	2008
1976	1989
1977	1334
1978	1140
1979	988

	1980	1981	1982
January	56	50	33
February	52	71	64
March	87	47	65
April	74	59	81
May	89	56	51
June	61	47	128
	421 sbtl	329 sbtl	420 sbtl
July	126	56	
August	97	86	
September	128	156	
October	105	85	
November	73	112	
December	92	148	
	1043	972	

Source: Embassy of Israel; Washington, DC

REGISTRATION FOR EMIGRATION AT ROMANIAN JEWISH COMMUNITY OFFICES TILL MAY, 29, 1982· AN ANALYSIS BY IRA KLEIMAN, WASHINGTON D.C.

Known Applications Pending Since Before 1978 - Bucarest ---------- 9
" " " " " " - Provinces --------- 1
Known Applications Pending Since 1979 - Bucarest ----------------- 12
" " " " " - Provinces ---------------- 23
Known Applications Pending Since 1980 - Bucarest ----------------- 26
" " " " " - Provinces ---------------- 23
Known Applications Pending Since 1981 - Bucarest -----------------129
" " " " " - Provinces ----------------191
Known 1980 Approvals - Emigration Pending - Bucarest ------------- 69
" " " " " - Provinces ------------ 94
Known 1981 Approvals - Emigration Pending - Bucarest ------------- 40
" " " " " - Provinces ------------ 58
Known 1982 Applicants - Bucarest ---------------------------------147
" " " - Provinces --------------------------------153
Known 1982 Approvals - Emigration Pending - Bucarest -------------205
" " " " " - Provinces ------------214

Total Backlog - 1394

Basic Analysis

1) The data base used in preparing this report included the Romanian Jewish Emigration Update of April 4, 1982, prepared for the ICBB, and the Romanian response now circulating on Capitol Hill, lists of emigration applicants supplied by Chief Rabbi Rosen through May, 29 1982, lists of Approvals, i.e. those approved for emigration by the Romanian Government and lists of persons who have actually exited Romania for Israel through May 1982.

2) In their response to the April 4 Update, the Romanians claim that 38 named persons had either withdrawn their applications or had never requested to leave. A subsequent investigation and comparison of all available application and approvals lists revealed many of these people had indeed registered to leave, and some had even been approved. Thus, their names are included in this update, and they contribute to the total backlog of 1394.

3) Of the 610 persons the Romanians claim to have approved in the first five months of 1982, 254 persons, or 42%, had not registered with Rosen. This figure comports with previous analyses which revealed a large "shadow population" of approx. 50% of all emigrants who do not register with Rosen (40-45% of all emigrants appear only on approvals lists, and 5-10% are not identified prior to arrival in Israel.

4) The 1394 figure, coupled with the 50% shadow population, points to an actual backlog number approaching 2000 persons.

5) Of the 1394 known persons awaiting emigration, 680 (163 in 1980, 98 in 1981, and 419 in 1982) have been approved for exit by the Romanian Government. However, past experience has shown that cases cannot be considered resolved until the emigrant actually leaves the country. To illustrate, as of October 1981, the approvals backlog for the years 1980-81 numbered 324; as of May 29, 1982, fully 6 months later, that number had been reduced by only 63 persons to 261. Again, these are people who applied to emigrate in the 1970's who are still in Romania. Thus, an increase in approvals may not translate into an increase in the level of emigration.

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August 16, 1982

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Senator John J. Danforth
Finance Committee
Washington D.C.

Dear Senator Danforth:

In my statement before the International Trade Subcommittee on August 10, 1982, I referred to a group of Christian, Jewish and ethnic organizations which had agreed to form (June 30, 1982) a North American Coalition for Human Rights in Romania with the purpose of spotlighting the broader human rights problems in Romania. The Coalition's first Statement is attached.

The Coalition's aim in recent weeks has been to formulate and propagate a set of guidelines to which the Romanian authorities should commit themselves, rather than to campaign for Resolutions of Disapproval in the Congress. We have worked for a constructive compromise, not the usual giveaway, but for an effective quid pro quo, which will establish U.S.-Romanian relationships in this area on a more credible footing.

To this end, Representative Kent Hance initiated two important letters to the Romanian Ambassador in recent days, seeking the announcement of several Romanian gestures of good faith. The second letter of August 5, 1982 (attached) was signed by 7 of the 14 members of the Trade Subcommittee of the House Ways and Means Committee and hand delivered to the Romanian Embassy on Friday, August 6, 1982.

Following a week of meetings with members of the Senate Finance Committee's International Trade Subcommittee, with Finance Committee aides on the morning of August 9, 1982, and a group of Trade Committee Senators' aides in the afternoon, the afternoon meeting brought forth the suggestion for a Senate Resolution on Romania and a discussion of the type of language to be used. The aim was, for the first time, to formulate publicly those guidelines within which we might expect the Romanians to operate during the coming year. This was of particular importance as we have never received the adequate and credible assurances from Bucharest, as mandated by #402 of the 1974 Trade Act.

Accordingly, we were most gratified to hear Senator Robert Dole's announcement at the August 10 Hearings of his intention to introduce a Senate Resolution along these lines.

./...

Our Coalition looks forward to major progress during the coming months in the following areas:

Emigration

1. Remove substantial emigration backlogs to the U.S. and to Israel by immediately facilitating the departure of those waiting more than 6 months, particularly the long waiting "refuseniks".

2. Maintain throughout this and future years the current increase of emigration approvals to Israel.

3. Simplify and shorten emigration procedures.

4. Forthcoming U.S.-Romanian discussions on emigration matters to be ongoing and intensive until satisfactory arrangements can be arrived at.

Persecution of Romanian Christians

1. Cessation of harassment and imprisonment for reasons related to religious needs, such as worship, religious literature, education and upkeep of churches.

2. Release of prisoners of conscience.

3. Speedy emigration for those desiring it.

Cultural deprivation and discrimination suffered by Hungarian minority

Early steps should be taken to restoring Hungarian educational and cultural institutions and opportunities.

We look forward to a close and continued scrutiny of the state of emigration and other human rights in Romania during the coming months.

Yours sincerely,

Jacob Birnbaum

Jacob Birnbaum
National Director
Center for Russian
and East European Jewry
New York City

Att.

KENT R. HANCE
19TH DISTRICT, TEXAS

WASHINGTON OFFICE:
1039 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) [illegible]

Congreſs of the United States
House of Representatives
Washington, D.C. 20515

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FEDERAL BUILDING, ROOM 204
200 EAST WALL STREET
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(915) 683-6407

August 5, 1982

His Excellency Mircea Malitza
Embassy of Romania
1607 Twenty-Third Street, Northwest
Washington, D. C. 20008

Dear Mr. Ambassador:

As you are aware, the Congress is presently considering the annual renewal of Most Favored Nation (MFN) status for the Socialist Republic of Romania. The trade laws of the United States, specifically section 402 of the 1974 Trade Act, require that any country with MFN status must provide assurances that its citizens have the right of free emigration.

However, despite such assurances from the Romanian government, serious doubts remain in the minds of many Congressmen about Romanian compliance with our laws. It appears that although Romania each year releases a significant number of citizens during the spring and summer, in general barriers to emigration and the harassment of those seeking to emigrate have become more severe, the persecution of Christian believers has intensified, and the cultural deprivation of the Hungarian minority has continued undiminished.

Accordingly, we are seeking from the Romanian government concrete assurances that improvements in the aforementioned conditions will occur. In the absence of credible written assurances, it will be extremely difficult for us to support renewal of MFN status to Romania. We would ask that the Romanian authorities grant the following five gestures as an informal quid pro quo to MFN renewal:

1. An announcement that Romania will in the future maintain and increase the May-June 1982 increase in the number of emigration approvals to the U. S. and Israel.
2. An immediate release of priority Human Rights cases who have been identified by charitable private agencies.

His Excellency Mircea Malitza
August 5, 1982
Page 2

3. The removal of pre-application procedures instituted after Romania obtained MFN status and following Romania's agreement to the 1975 Helsinki Final Act.
4. An immediate commencement of negotiations to shorten and simplify the current emigration process which is unduly cumbersome and severely discriminatory.
5. Actions designed to reduce the cultural deprivation of Romania's Hungarian minority.

We sincerely wish to maintain cordial trading relations with Romania. Because the Congress must soon come to a decision regarding MFN renewal for Romania, we are looking forward to a speedy and favorable reply.

Sincerely,

Kent Hance
Kent Hance

Don Bailey
Don Bailey

James R. Jones

Ed Jenkins

Guy Vander Jagt

Richard T. Schulze

Bill Brodhead
William M. Brodhead

STATEMENT OF THE NORTH AMERICAN COALITION FOR HUMAN RIGHTS IN ROMANIA*

SHOULD CONGRESS RENEW MFN FOR ROMANIA?

Despite its systematic suppression of human rights in direct violation of the Helsinki Accords, Romania is seeking renewal of Most-Favored-Nation (MFN) preferential trading status from the U.S. The North American Coalition for Human Rights in Romania urges Congress to consider suspending MFN status for Romania until credible assurances are received that concrete steps will be taken to correct these violations.

These steps will have to include the following gestures:

A. An announcement that Bucharest will in the future maintain and increase the May-June 1982 rise in the number of emigration approvals to the U.S. and Israel.

B. The immediate release of the priority human rights cases (see I, II, and III below).

C. The removal of the pre-application procedures instituted after Romania obtained MFN status and after Romania signed the 1975 Helsinki Final Act.

D. An immediate commencement of negotiations on the 10-point plan to simplify and shorten emigration procedures (see IV below).

E. The immediate implementation of at least one of the five good faith measures to improve the situation of the Hungarian minority in Romania (see V below).

Such minimal gestures are necessary for Romania to comply with U.S. law (Section 402 of the 1974 Trade Act) and with its obligations under international law, including its own solemn pledge to observe the Helsinki Final Act of 1975.

* See page 6 for list of member organizations.

July 1982

* * * * * * * * * * * * * *

ROMANIA MUST RELEASE THE FOLLOWING PRIORITY HUMAN RIGHTS CASES:

I. Orthodox leader -- imprisoned and tortured 26 years for religious and trade union leadership:

Father Georghe Calciu

New arrest: March 10, 1979
New imprisonment: 10 years (3 years now served)
Previous imprisonment: 16 years
Church: Romanian Orthodox Church
Present physical condition: [illegible]/poor

II. Evangelicals -- arrested, imprisoned and tortured for distributing Bibles:

1. Klaus Wagner

Arrested: October 1, 1981 in Sighisoara
Trial: December 17, 1981 in Turnu Severin
Sentence: 6 years in prison
Prison: In Turnu Severin before trial; after trial in Craiova then in Bucharest
Age: 32
Occupation: Auto mechanic
Married: wife, Ekaterina
Children: Hanna - born October 8, 1975; Markus - born November 9, 1976; Samuel and Debora - twins, born May 8, 1980
Church: Brethren Church
Home Address: 3050 Sighisoara, St. Mihail Eminescu Nr. 12, Jud. Mures, Romania
Present physical condition: Not known

2. Fibia Delapeta

Arrested: October 1, 1981
Trial: December 17, 1981
Sentence: 5 years plus in prison
Prison: Turnu Severin before trial
Age: 28
Occupation: not known
Married: not known
Church: Orthodox Church
Home Address: St. Carpinis Nr. 13, Jud. Hunedoara, Romania
Present physical condition: not known

3. Maria Delapeta

Arrested: October 1, 1981
Trial: December 17, 1981
Sentence: 5 years plus in prison
Prison: Turnu Severin before trial
Age: 25
Occupation: not known
Married: not known
Church: Orthodox Church
Home Address: St. Carpinis Nr. 13, Jud. Hunedoara, Romania

4. Silviu Cioata

Arrested: November 11, 1981 in Ploesti
Trial: March 6, 1982
Sentence: 5 years 3 months in prison
Prison: Ploesti before trial; after trial in I.L. Caragiale, Jud. Prahova
Age: not known
Occupation: Dentist/Medic
Married: wife, Elena
Children: two children
Church: Brethren Church
Home Address: St. Intrarea Petuniei No. 9, Bl. 8, Sc. B, Apt. 20,
Ploesti, Romania
Physical condition: not known

5. Mircea Cioata

Arrested: March 5, 1982
Trial: March 6, 1982
Sentence: 5 years in prison
Prison: I.L. Caragiale, Jud. Prahova
Age: not known
Occupation: engineer
Married: Yes
Children: two children
Church: Brethren Church
Home Address: St. Lenin Nr. 1, Bl. A, Sc. B, Apt. 19, Ploesti, Romania
Present physical condition: not known

6. Ioan Teodor

Arrested: March 5, 1982
Trial: March 6, 1982
Sentence: 5 years and three months
Prison: I.L. Caragiale, Jud. Prahova
Age: not known
Married: yes
Children: four children
Church: Brethren Church
Home Address: St. Veronica No. 42, Ploesti, Romania
Present physical condition: not known

7. Horst Feder, Jr.

Arrested: March 5, 1982
Trial: March 6, 1982 in Ploesti
Sentence: 5 years and 3 months
Prison: I.L. Caragiale, Jud. Prahova
Age: not known
Occupation: not known

Married: wife, Elisabeth
Children: two
Church: Brethren Church
Home Address: St. Ilarie Chendi Nr. 87, Shighisoara, Romania
Present physical condition: not known

8. Hans Holzman

Arrested: March 5, 1982
Trial: March 6, 1982 in Ploesti
Sentence: 5 years and 3 months
Prison: I.L. Caragiale, Jud. Prahova
Age: not known
Occupation: not known
Married: yes
Children: six
Chruch: Brethren Chruch
Homes Address: St. Dragos Voda Nr. 20, Brasov, Romania

9. Ioan Raceala

Arrested: March 4, 1982 in Slobozia
Trial: March 6, 1982 in Ploesti
Sentence: 5 years and 6 months
Prison: I.L. Caragiale, Jud. Prahova
Age: not known
Occupation: not known
Married: yes
Children: three
Church: Brethren Church
Home Address: St. Vasile Alexandri Nr. 20, Slobozia, Jud. Ialomita, Romania
Present physical condition: not known

10. Petre Furnea

Arrested: March 5, 1982 in Ploesti
Trial: March 6, 1982 in Ploesti
Sentence: 5 years and 3 months
Prison: I.L. Caragiale, Jud. Prahova
Age: not known
Occupation: not known
Married: not known
Home Address: St. Zioar Nr. 1, Ploesti, Romania
Present physical condition: not known

11. Costel Ceorgescu

Arrested: October 11, 1981
Trial: March 6, 1982
Sentence: 6 years
Prison: Ploesti before trial; after trial in I.L. Caragiale, Jud. Prahova
Age: not known
Occupation: not known
Married: yes
Children: two
Church: Brethren Church
Home Address: Soseaua Vestului 20, Bloc 101, Sc. B, Apt. 73, Ploesti, Romania

III. Jews and Christians -- seeking emigration from religious oppression:

1. Natan Fleisher

Address: St. Castanilor, Bl. 6, Bacau, Romania
(Desires to reunite with children and grandchildren in Israel.)

2. Herman Rubinger

Address: St. N. Beloianis 9, Bucharest, Romania
(Desires to reunite with family abroad.)

3. Samuil Feiden

Address: St. Vioenti 37, Vatra Dornei, Romania

4. Eugen Fundulea

Address: Buzau, Romania
(Desires to reunite with mother in San Diego, California.)

5. Maria Racz

   Address: Blvd. A. Impatescu 24-6, Bucharest, Romania
   (Desires to reunite with uncle in New York.)

6. Sergiu and Ruxandra Ratescu and child

   Address: St. L. Rebreanu 7, Bucharest, Romania
   (Desire to go to Israel.)

7. Ottilia Scheener

   Address: Cal Grivitei 67, Bucharest, Romania
   (Has been approved to leave for 3 years, but has not yet been permitted to leave.)

8. Liviu Argeseanu (and Dorina)

   Address: St. Dionisie Lupu 53, Bucharest, Romania
   (Desire to join mother in New York.)

9. Dan Focsaneanu and daughter

   Address: St. Liliacului 5, Patra-Neamt, Romania
   (Desire to reunite with wife/mother in the United States.)

10. Emilia Pal

    Address: St. Pantomolon 59/60, Bucharest, Romania
    (Desires to join relatives in Israel.)

11. Elena and Paul Pechiu

    Address: Poenaru Bordea 6, Bucharest, Romania
    (Desire to join brother in California.)

12. Victor-Tiberiu and Lucia-Maria Salomon and Children and Mother

    Address: St. Buday Nagy-Antal 17, Cluj-Napoca, Romania

13. Gary and Tamara Segal and Child

    Address: St. R. Boiangu 8, Bucharest, Romania
    (Desire to reunite with family in the United States.)

14. Ernestina and Mihai Stanciulesca and Son

    Address: St. Aurel Vlaicu 39, Bucharest, Romania
    (Desire to join sister in New York.)

15. Liviu Capusan

    Address: St. Bucegi Nr. 15, Bl. Ae, Fl 9, Apt. 151, Cluj, Romania
    (Desires to join son Radu in Camirillo, California.)

16. Ioan and Ligia Teodosiu and Son

    Address: St. Almasului Nr. 40, Cluj, Romania

17. Gavrila Giurgiu

    Address: St. Lupeni Nr. 8, Cluj, Romania
    (Desires to unite with son-in-law in California.)

18. Teodor Rus and Wife

    Address: Ciceu-Giurgesti Nr. 317, Jud. Bistrita-Nasaud, Romania
    (Desire to reunite with daughter in California.)

19. Paul Dragu and Family

    Address: St. 8 Martie Nr. 5, Tirgu-Jiu, Romania

20. Ioan Falcusan and Family

    Address: St. Gheorgheni Nr. 204, Bl. N., Apt. 16, Cluj, Romania
    (Desire to reunite with sister in California.)

21. Daniel Stauceanu and Family

    Address: St. Presei Nr. 1, Sector 1, Bucharest, Romania

22. Zaharia Ploscaru and Family
Address: Motru, Romania

23. Carneliu Ciuca and Family
Address: St. Republicii Nr. 8, Apt. 17, Galati, Romania

24. Ecaterina, Decebal, Mariana, Razvan Dimitrescu and Diana Iona
Address: 5 Miron Constantinescu, Bl. 3E, Apt. 60, Bucharest, Romania
(Desire to reunite with family in Montreal, Canada.)

25. Gheorghe Dragomirescu
Address: St. Drumul Murgului Nr. 4, Bl. 2 bis., Fl. 10, Apt. 41,
Sector 3, Bucharest, Romania
(Desires to reunite with brother in the United States.)

26. Father Georghe Calciu
Address: prison
(Desires to emigrate to the West.)

27. Daniela Cruceanu
Adress: St. Dionisie Lupu #50, Apt. 2, Sector 1, Bucharest, Romania
(Desires to reunite with husband Romulus Cruceanu in New York.)

28. Vasile Preda
Address: prison (political prisoner)
(Desires to reunite with family in Queens, New York.)

29. Ileana Catarama, Veronica Catarama, Dragos Catarama, Dorel Catarama, Mioara Panaite, Razvan Panaite, Ion Panaite
Address (except Dorel Catarama and Ion Panaite): Oituz, Bacau, Romania
(Tel. #9 or 37)
Dorel Catarama is imprisoned
Ion Panaite is presently in Bania Cqvilacea Refugee Camp, Yugoslavia
(Desire to reunite with family in Hinsdale, Illinois/fleeing religious repression.)

30. Florica Bigosel
Address: Vingatown, Nr. 275, Jud. Arad, Romania
(Desires to reunite with fiance, Simon Lucaciu, in Ridgewood, New York.)

31. Maria Stef
Address: Gura Riului, Judet Sibiu, Romania
(Desires to reunite with fiance, Gheorghe Sala, in Ridgewood, New York.)

IV. ROMANIA MUST SIMPLIFY AND SHORTEN EMIGRATION PROCEDURES AND ELIMINATE HARASSMENT

1. Abolish pre-application procedures at police station (FICA).

2. Letter of intent received abroad or by foreign embassy in Bucharest should establish commencement of emigration process.

3. Eliminate requirement to appear before councils consisting of local representatives of the police, the security police, the army, the Communist party, the work place, the management of residence.

4. Application forms should be readily available at all times and places.

5. Establish time frame of 2-3 months from moment of application until departure, at most 6 months for special cases.

6. Set up regular procedures which will avoid arbitrary decision or non-decisions.

7. After formal approval is granted, ensure speedy and straight-forward process until departure, avoiding irregular, arbitrary delays.

8. Refusals should be accompanied by explanations, then proper appeal process.

9. Ease the burdens of departing emigrant by

   a) cutting down multiple documentation
   b) permitting him/her to take life savings and used household and personal possessions without imposition of duties
   c) reducing the variety and total of emigration fees.

10. Eliminate harassments such as

   a) job dismissals and demotions and expulsions from universities.
   b) intimidation at workplace, in schools, and by neighbors.
   c) threats of military or work conscription.

V. SUGGESTED IMMEDIATE STEPS TOWARD RESTORING HUNGARIAN EDUCATIONAL AND CULTURAL INSTITUTIONS AND OPPORTUNITIES

1. As a step toward restoring the Hungarian school system previously in existence, reestablish Hungarian-language schools in the Transylvanian villages of Sarmasu (Nagysarmas), Ludus (Marosludas), Gherla (Szamosujvar), Bistrita (Beszterce), Cimpia Turzii (Aranyosgyeres), Iernut (Radnot), Rupea (Kohalom) and Hateg (Hatszeg), and in any Moldavian community inhabited by Hungarian Csangos (where all 72 Hungarian-language schools have been eliminated since 1958).

2. Announce and take concrete steps to restore the Bolyai University in Cluj (Kolozsvar) to the status it held until 1959 as an independent Hungarian institution.

3. Amend or repeal Decree Law 21465 (1974) and other regulations which prohibit churches from accepting financial assistance from sister churches in the West, and allow minority churches to conduct cultural, educational and other non-political activities for their believers.

4. Take concrete steps to preserve the historic cityscape of ancient Hungarian towns and to remove the housing, employment and other barriers which prevent Hungarians from migrating to traditionally Hungarian cities.

5. Re-institute the policy, which existed until 1974, of allowing Hungarian visitors to be accommodated in the private homes of their friends and relatives in Romania, and abolish the practice of routinely confiscating at border crossings all literary, cultural and other non-political books and publications written in the Hungarian language.

NORTH AMERICAN COALITION FOR HUMAN RIGHTS IN ROMANIA

Washington Coordinating Office:

P.O. Box 8007
Washington, D.C. 20024
(703) 549-0047

Center for Russian and East European Jewry
New York, New York, Jacob Birnbaum, (212) 928-7451

Committee for Human Rights in Romania
New York, New York, Laszlo Hamos, (212) 722-1008

CREED (Christian Rescue Effort for the Emancipation of Dissidents)
Washington, D.C., Dr. Ernest Gordon, (703) 549-0047

Christian Legal Defense Fund
Washington, D.C., Jack Clayton, (202) 768-5228

Christian Solidarity International
Silver Spring, Maryland, Rev. James Glazier, (301) 871-6758

Christian Voice
Washington, D.C., Gary Jarmin, (202) 544-5202

East Watch International
Erwina, Pennsylvania, John Crossley, (215) 294-9463

East/West News Service
Carmarillo, California, Jeffrey Collins, (805) 987-8888

Voice of Salvation
Montevello, California, George Husaruk, (213) 721-4028

STATEMENT OF LUCIEN V. ORASEL, AMERICAN-ROMANIAN RELATION COMMITTEE, NEW YORK, N.Y.

Mr. **Orasel**. Mr. Chairman and members of the committee, I pray you will listen very carefully to my statement. I am convinced that the future security of the Romanian people, their families, and the entire nation may depend on how you respond to it. At issue is whether to continue extending most-favored-nation trading status to Romania. First accorded to Romanian Communist Government in 1975 and renewed annually ever since, it has led to many economic benefits for the communist State, not for the people.

The U.S. Government had acted in order to alleviate the suffering of the Romanian people who have the most depressed economic conditions of Eastern Bloc countries. It did not achieve the desired outcome. Instead, the United States support has only helped to strengthen an oppressive government and indirectly aided Soviet Union interests.

I was born and raised in Romania, a country which fell to communism during the Soviet invasion in 1944. I lived in that country for over 30 years and can testify to the harsh realities of an oppressive government. As a very young man I was imprisoned for 8 years. My crime was advocating the restoration of basic human rights and plurality in the political party system.

Economic assistance to the Romanian Communist government is usually justified on the grounds that it will mellow the communists and induce the regime to gradually relax totalitarianism. This has been the argument for over 50 years. There have never been any signs of fundamental change. Internal actions confirm that the Romanian Communist government has maintained repression and shows no indication of mellowing.

The repression takes several forms. First, religious groups are brutally oppressed for no more than their wish to practice the natural right to worship. Recently, three of the five Romanian clergymen who criticized the moral state of the church in a memorandum to the country's Orthodox Patriarch have been relieved of their parishes. The priests Viorel Dumitrescu, Liviu Negoitza, and Lonel Unichici were arrested and beaten several times by the officers of the Romanian security police in the course of interrogation. After their release they were forced to earn a living as miners. Another priest, Calchu deMatressa, has been jailed for several years for the same reason. The case has aroused considerable interest in Europe but not in the United States, where the wire services and media networks curiously seem indifferent to accounts of Communist persecution.

It is very difficult to understand why many groups and some members of the Senate Foreign Committee question the aid program for El Salvador and Afghanistan freedom fighters and never say anything when supplies and technology are shipped to the Communist countries that carry out some of the most oppressive practices in the world.

Under President Ceausescu's watchful eye, one of every three adults is said to report on the other two in what is believed to be the most efficient secret police network in Communist Europe. Concentration camps still exist; mental hospitals take the overload;

persecution of religious groups continues. Freedom and liberty do not exist, and it has resulted in deprivation of human rights for millions of people.

The Romanian Soviet-directed puppet government cites and preaches the great word of independence in Washington to gain American technology. Hypocrisy is its most powerful tool. It was used to destroy its enemies.

So-called peaceful trade with the Soviet Union and its Communist satellite countries, including Romania, is a myth. All this creates and maintains an enemy that we annually spend over $200 billion to defend against. As of 1982 the world has before it a clear history of 65 years of documented Communist terror such as: formation of unrest, crises, conflict and aggression, deceit, lies, oppression, the detention of innocent people in jails and mental institutions, murders, discrimination against non-communists, the cruel suppression of governments, the unjust confiscation of property, pitting of children against parents, encouraging one to inform on the other, the separation of families, the suppression of monasteries and convents, the closing of churches, the execution of bishop opponents and countless others.

Communist technical dependence is a powerful instrument for world peace, if we want to use it. It is the most human weapon that can be conceived. We have always had that option. We have never used it.

This we beg you, Senators, do not grant the status of most-favored-nation to the Romanian Soviet-directed Communist government.

Thank you.

[The prepared statement of Lucien V. Orasel follows:]

Tues. August 10, 1982

U.S. Senate Committee on Finance
Room 2221
Dirksen Senate Office Building
Washington, D.C. 20510

Re: Lucien V. Orasel-Orashell - Testimony on Romanian MFN Status

I pray you will listen very carefully to my statement. I am convinced that the future security of the Romanian people, their families and the entire nation may depend on how you respond to it. At issue is whether to continue extending most favored nation trading status to Romania. First accorded to Romanian communist government in 1975 and renewed annually ever since, it has led to many economic benefits for the State.

The U.S. Government had acted in order to alleviate the suffering of the Romanian people who have the most depressed economic conditions of eastern bloc countries. It did not achieve the desired outcome. Instead the U.S. support only helped to strengthen an oppressive government and indirectly aided Soviet Union interests.

I was born and raised in Romania, a country which fell to communism during the Soviet invasion in 1944. I lived in that country for over thirty years and can testify to the harsh realities of an oppressive government. As a very young man I was imprisoned for eight years. My crime was advocating the restoration of basic human rights and plurality in the political party system.

Economic assistance to the Romanian communist government is usually justified on the grounds that it will "mellow" the communists and induce the regime to gradually relax totalitarianism. This has been the argument for over 50 years. There have never been any signs of fundamental change. Internal actions confirm that the Romanian communist government has maintained repression and shows no indication of mellowing. The repression takes several forms. Firstly, religious groups are brutally oppressed for no more than their wish to practice the natural right of worship. Recently, three of the five Romanian clergymen who criticized the moral state of the church in a memorandum to the country's Orthodox Patriarch, have been relieved of their parishes. The priests Viorel Dumitrescu, Liviu Negoitza and Lonel Unchici were arrested and beaten several times by officers of the Romanian security police in the course of interogation and after their release were forced to earn a living as miners. The case has aroused considerable interest in Europe, but not in U.S. where the wire services and media networks curiously seem indifferent to accounts of communist persecution.

It is very difficult to understand why many groups and some members of the Senate Foreign Committee question the aid program for El Salvador and Afganistan freedom fighters and never say anything when supplies and technology are shipped to communist countries that carry out some of the most oppressive practices in the world.

"Under President Ceausescu's watchful eye, one of every three adults is said to report on the other two in what is believed to be the most efficient secret police network in communist Europe." Concentration camps still exist. Mental hospitals take the overload. Persecution of religious groups continues. Freedom and liberty do not exist and it has resulted in deprivation of human rights for millions of people.

The Romanian Soviet-directed puppet government cites and preaches the great word of "independence" in Washington to gain American technoloty. Hypocrisy is its most powerful tool. It was used to destroy its enemies and divert attention from government activities perpetuating human rights violations on a stupendous scale. Also, there remains no guarantee that U.S. materials and technology imported by Romanian communist government will not be shipped on to the Soviet Union.

So called "peaceful trade" with Soviet Union and its communist satelite countries including Romania is a myth. All this creates and maintains an enemy that we annually spend over $200 billon to defend against. "As of 1982 the world has before it a clear history of sixty-five years of documented communist terror: formation of unrest, crises, conflict and aggression; deceit; lies; oppression; the detention of innocent people in jails and mental institutions; murders; discrimination against non-communists; the cruel suppression of governments; the unjust confiscation of property; pitting of children against parents, encouraging one to inform on the other; the separation of families; the suppression of monasteries and convents; the closing of churches; the execution of bishop opponents and countless others; and the enslavement of million."

Communist technical dependence is a powerful instrument for world peace, if we want to use it. It is the most human weapon that can be conceived. We have always had that option. We have never used it.

That we beg you, senators, do not grant the status of most favored nations to the Romanian Soviet-directed communist government.

Lucien V Orasel

Lucien V. Orasel - Orashell

ALFONSE M. D'AMATO
NEW YORK

SUITE 1635
ONE PENN PLAZA
NEW YORK, NEW YORK 1000
(212) 947-7390

United States Senate
WASHINGTON, D.C. 20510

June 11, 1982

Mr. Robert E. Lighthizer
Chief Counsel
Senate Committee on Finance
Room 2227
Dirksen Senate Office Building
Washington, D.C. 20510
Att: Claude Gingrich

Dear Mr. Lighthizer:

Re: Lucien Orasel - Testimony on Romanian MFN Status

Enclosed herewith are letters which we have received in regard to Mr. Lucien Orasel's request to testify at any hearing which may be scheduled in regard to the renewal of Romania's most favored nation trading status.

Mr. Claude Gingrich of your staff has indicated that hearings on this topic may be held in August. Consequently, I am forwarding these letters to your attention rather than the Senate Foreign Relations Committee, which Mr. Orasel addressed his letters to.

I have met with Mr. Orasel, and he seems to be an eloquent spokesman who has first-hand knowledge of conditions in Romania. I believe that information he could provide your committee with would probably be highly enlightening. I would appreciate any consideration you could give to Mr. Orasel's request to testify at any hearings which might be scheduled on this topic.

Sincerely,

Howard Lim, Jr.
Executive Assistant

HL:dp
enc.

180 West End Avenue
New York, N. Y. 10023
June 21, 1982

Hon. Charles L. Percy
United States Senator

Washington, D. C.

Dear Senator Percy:

May I urge that you give careful consideration to the enclosed letter from Mr. Lucian Orasel, concerning our nation's policy towards the government of Romania. Mr. Orasel knows from bitter personal experience the tyranny of the Romanian government and the ineffectiveness of a policy of detente or 'most-favored-nation' trade with that government.

Mr. Orasel, and people like him, are the backbone of the political forces which placed a Republican majority in control of the United States Senate and its committees, and I urge you to give thoughtful consideration to his views, so that those who have struggled, and are struggling, to keep a Republican majority in the Senate, will not be disappointed in the outcome. I was a delegate to the Republican National Convention from New York City in 1980, and am currently president of the West Side Republican Club in Manhattan and a member of the New York State Republican Committee. Mr. Orasel has effectively assisted in achieving the election of a Republican Senator from New York, and has not asked, nor do I suppose he will ever ask, anything other than consideration of his views on a subject on which he, as a former citizen of Romania, feels strongly and is completely knowledgeable.

I think the views he expresses, in light of his experience, are at least as worthy of note as some of the stuff you get from our State Department.

There is no question that a United States Senator is a busy man, but I urge that this letter from Mr. Orasel be brought to his personal attention. Mr. Orasel knows what he is talking about, and it is important to him, and, I think, to this new American majority, that these views be given at least as much weight as those of some in the news media and bureaucracy who would like nothing better than to relegate our party to a minority position in the United States Senate.

Thanks for taking our views into account.

Sincerely yours,

Walter McSherry

CONSERVATIVE
1776
CLUB

Nancy Jane Dzupin
Chairman

John Taylor Gatto
Vice Chairman

Nancy W. Stevenson
Secretary

Ted K. Hechtman
Treasurer

ADVISORY COMMITTEE
Byron Paul Bales
Michel Bobryk
Ellery Dillon
Brian Lynch
Hon. Howard Lim, Jr.

May 12, 1982

Senate Foreign Relations Committee
1113 Dirksen Building
Washington, D.C. 20510

Dear Sirs:

The 1776 Conservative Club supports Lucien Orasel's letter asking you to deny Romania most favored nation status. Mr. Orasel is certainly qualified to make a case against trade with Romania. Born and raised in Romania, he knows what is happening in that country. He experienced first-hand the oppressive government of Soviet-backed President Ceauscu and was imprisoned for several years for his anti-government activities.

We have known Mr. Orasel for over three years and have worked together on many club activities, including campaigning for Ronald Reagan's election as United States President.

During those activities and club meetings, Mr. Orasel has often described life under a communist government. He's made all of us stop and truly reflect on what a communist government would mean in our lives. Thank God, we live in a free country. Dear Sirs, he has made us more aware and concerned about communism. That is why this organization stands with him in asking you to deny most favored nation status to Romania.

Sincerely,

1776 CONSERVATIVE CLUB

Nancy Jane Dzupin
Chairman

1776 Broadway, Suite 1706, New York, New York 10019, (212) 586-4787

CONSERVATIVE 1776 CLUB

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Vice Chairman

Nancy W. Stevenson
Secretary

Ted K. Hechtman
Treasurer

ADVISORY COMMITTEE
Byron Paul Bales
Michel Bobryk
Ellery Dillon
Brian Lynch
Hon. Howard Lim, Jr.

May 12, 1982

Senate Foreign Relations Committee
1113 Dirksen Building
Washington, D.C. 20510

Dear Sirs:

I would like to offer my support of Mr. Lucien Orasel and the letter he has written to our President and to you.

Mr. Orasel has expressed concern over the trade policies that built the Soviet Union and its satellite communist countries, including Romania.

We have known Mr. Orasel for over three years. He is a member of the "1776 Conservative Club" and we have worked extensively with him on political campaigns for President Reagan and Senator D'Amato.

We have found him to be knowledgeable in international affairs and an astute observer of communist activities.

His motivation is tremendous. In resistance to the communist government in Romania he wrote several letters to the United Nations describing how Romanian people were being deprived of their human rights. Mr. Lucien Orasel was himself persecuted and imprisoned for his activities against communism. The United Nations became interested in his fight for freedom and helped him to leave Romania and come to the United States.

Because of his personal experience with oppression, Lucien Orasel holds an extraordinary appreciation for freedom of thought and speech that most Americans take for granted.

When Lucien chose the United States to be his new home, he studied with vigor United States' political legal and justice system in more depth than most citizens.

1776 Broadway, Suite 1708, New York, New York 10019, (212) 586-4787

Senate Foreign Relations Comm.
Page 2.
Mary 12, 1982

CONSERVATIVE 1776 CLUB

Nancy Jane Daupin
Chairman

John Taylor Gatto
Vice Chairman

Nancy W. Stevenson
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ADVISORY COMMITTEE
Byron Paul Bales
Michal Bobryk
Ellery Dillon
Brian Lynch
Hon. Howard Lim, Jr.

Mr. Lucien Orasel is asking you to deny most favored nation status to the Romanian communist government.

I agree with this point of view.

Our policy of subsidizing self-declared enemies is neither rational nor moral. The purpose of the detente, according to communists, is to give the Soviets sufficient strength for a renewed assault on the West.

Incredibly, the Soviets are spending 85 percent more on defense procurement, than we are right now. And what's more, they are building three times as many strategic and tactical weapons as the United States.

In my opinion, our country, today, faces the gravest danger to its existence since the outbreak of the second World War.

We can stop the Soviets and its satellite communist countries any time we want to, without using a single gun or anything more dangerous than a piece of paper, denying them any kind of economical and technical assistance and stopping trade with them.

Sincerely yours,

Byron Paul Bales
Founder of "1776 Conservative Club"

1776 Broadway, Suite 1706, New York, New York 10019, (212) 586-4787

CONSERVATIVE 1776 CLUB

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ADVISORY COMMITTEE
Byron Paul Bales
Michel Bobryk
Ellery Dillon
Brian Lynch
Hon. Howard Lim, Jr.

Lucien Orasel
255 West 90th St. #12-B
New York, New York 10024
Tel. (212) 724-4276
May 12, 1982

Senate Foreign Relations Committee
1113 Dirksen Building
Washington, D.C. 20510

Dear Sirs:

I pray you will read my letter very carefully. I am convinced that the future security of Romanian people, their families and the entire nation may depend on how you respond to it.

In 1944 the Soviet Union led by Stalin, expanded its empire, not only through the annexation or political domination of adjacent lands, but also by extending its influence over foreign territories across the seas.

Year 1944 has since become a set expression in the Romanian language. It means arrests at a rate of hundreds of thousands a year, a kind of plague in which no one knows who will be next.

From time to time in the last fifty years, both Democratic and Republican administration have practiced "peaceful trade" with the Soviet Union and its communist satellite countries, including Romania. This transfer of free enterprise technology by the United States and its European allies, has created a formidable economic and military power. In this "peaceful trade" there was a transfer of technology to produce military good. Not only were crew served and automatic weapons sold, but also the technology with which to manufacture these weapons was negotiated. "Peaceful trade" became the carrier vehicle by which equipment technology and skills were transfered from the West, mainly the United States, to communist countries.

Free trade is eminently desirable in a free world of noncoercive societies, but free trade with a statist system is not neutral. That "peaceful trade" is a myth. To the communist countries all goods are strategic. All this creates and maintains an enemy that we annually spend over $160 billion to defeat against.

The communist countries have made masterly use of a word "detente," and the Romanian Soviet-directed puppet government cites and preaches the great word of "independence" in Washington to gain American technology. The Romanian

1776 Broadway, Suite 1708, New York, New York 10019, (212) 586-4787

communist government's hypocrisy is its most powerful tool; it used it to destroy its enemies and divert the attention from its activities in perpetuating human rights violations on a stupendous scale. There is also no guarantee that United States strategic-materials imported by Romanian communist government will not be shipped on to the Soviet Union.

Persecution of Romanians, Romanian Orthodox, Romanian Baptist, Romanian Catholics Byzantine Rite, and Romanian minorities.

Economic assistance to the Romanian communist government is usually justified on the grounds that it will "mellow" the communists and induce the regime to gradually relax totalitarianism. This has been the argument for over fifty years. There have never been any signs of fundamental change. And since this economic assistance is precisely the means by which the communist military establishment is maintained, it is well to emphasize both the continuation of repression by the Romanian communist authorities and the absence of "mellowing."

Internal actions confirm that Romanian communist government is acting exactly as we would expect a statist regime to act. There are still thousands, probably tens of thousands in Romanian concentration camps. The repression taxes several forms. Firstly, religious groups are brutally oppressed for no more than their wish to practice the natural right of worship. The minorities have recently been in the news, but the Baptists have long suffered persecution, as have the Romanian Orthodox and Catholics-Byzantine Rite. The case of Reverend D. Calciu has aroused considerable interest in Europe (but not in the United States where the wire services are indifferent to details of communist persecution).

The Committee for Freedom and Justice has stated: "His worthy noting that all of the 'Human Rights' propaganda is directed against communist-targeted governments, while the hundreds of millions reduced to slavery and penury, or driven from their homes or murdered by communist dictatorships around the world are simply written off by these highly one-sided critics. Those who attempt to defend their countrymen from this fate are instead, attacked as shameful violators of human rights.

Dear Sirs, no one has ever presented evidence, hard evidence, that trade leads to peace. It is true that peace leads to trade. But that's not the same thing.

Communism is not mellowing. Concentration camps are still there. The mental hospitals take the overload. Persecution of religious groups continues. Harassment of people continues as it did before. Freedom and liberty do not exist, and it has resulted in deprivation of human rights for millions of people.

As of 1982, the world has before it a clear history of sixty-five years of documented communist terror: formation of unrest, crises, conflict and aggression; deceit; lies; oppression; the detention of innocent people in jails and mental institutions; murders; discrimination against non-communists; the cruel suppression of governments; the unjust confiscation of property; pitting of children against parents, encouraging one to inform on the other; the separation of families; the suppression of monastaries and convents;

the closing of churches and church-related schools; the execution of bishops, opponents and countless others; and the enslavement of millions.

The plain fact is that irresponsible policies in the past have built us an enemy and maintain that enemy in the business of totalitarian rule and conquest. It requires a peculiar kind of intellectual myopia to ship supplies and technology to the communist governments when they are instrumental in chaining fellow citizens.

Communist technical independence is a powerful instrument for world peace, if we want to use it. It is the most humane weapon that can be conceived. We have always had that option. We have never used it. That, we beg you, Dear Sirs, do not grant the status of most favored nations to the Romanian Soviet-directed communist government.

Sincerely yours,

Lucien Orasel
on behalf of Romanian
anti-communists

Senator Danforth. Ms. Shea?

STATEMENT OF NINA SHEA, PROGRAM DIRECTOR, THE INTERNATIONAL LEAGUE FOR HUMAN RIGHTS, NEW YORK, N.Y.

Ms. Shea. Thank you, Mr. Chairman.

As program director of the International League for Human Rights, I am delighted to have this opportunity to address this subcommittee. I would also like to introduce my colleague to my right, Ms. Erica Zolberg.

The International League for Human Rights is one of the oldest of the general purpose nongovernmental international human rights organizations. Founded in 1942 and based in New York City, we work on a broad range of human rights issues concerning countries in all regions of the world, on behalf of individuals of all denominations.

The league began to turn its attention to Romania in the late 1970's, after we started receiving what has become a steady stream of personal appeals from Romanians who are not allowed to emigrate or from their close relatives in the West. Their appeals were so numerous and the problems they encountered so compelling that the league established a family reunification project to assist them. The project, whose caseload now includes over 1,000 individuals, systematically documents each case so that we may intervene on their behalf.

Mr. Chairman, I would like to submit for the written record a list of 275 Romanian families who, our documentation indicates, are still in Romania.

In addition to the terms of the Jackson-Vanik amendment, the right to leave one's country is a basic provision of the international human rights law found in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the Helsinki Final Act.

Although the denial of the right to leave a country may not seem as compelling to some observers as such human rights violations as arbitrary arrest and detention, psychiatric abuse, property confiscation, or job discrimination, the league has found that applicants for emigration in Romania often experience these very same abuses in reprisal for their application to leave.

In addition, denials of the right to leave, often entailing the separation of families, can result in very real and distressing conditions and create much human suffering.

The league wishes to present three recommendations for consideration by Congress before action is taken on the Presidential waiver of section 402 with respect to Romania:

First, that the Romanian Government simplify, regularize, and then widely publicize the reformed procedures for applying to emigrate in order to eliminate the arbitrary and abusive practices which the league has found to be pervasive in the process which now exists.

Second, that the Romanian Government put an immediate stop to the campaign of intimidation and unwarranted reprisals directed at would-be emigrants.

Third, that the Romanian Government resolve a number of hardship cases outlined in our testimony.

We are also concerned about the low level of emigration permission granted as evidenced by the fact that we are aware of only 11 resolutions out of the 151 new cases presented to the league since we last testified before this subcommittee 1 year ago.

Since we testified in the House of Representatives 1 month ago, we have been notified by the Romanian Government that 15 families among our caseload have received permission to emigrate. Although this is an important step toward emigration, these families have still not left Romania, and the league will continue to monitor their cases until they are resolved.

The process of obtaining visas and passports has not substantially changed from previous years. It remains complex, arbitrary, and fraught with bureaucratic delays. Our continuing caseload includes nine instances where, for more than 15 years, the Romanian Government has refused to permit certain families to emigrate. In two of these cases the efforts to obtain permission began in 1958.

A major portion of the league's caseload represents individuals who wish to emigrate to rejoin family members living abroad. The prolonged delays in processing applications and repeated rejections that often follow in family-reunification cases are in themselves the cause of much human suffering.

Much of the league's documentation involves cases in which children are separated from parents, husbands from wives, and other close family members from their relatives. The league has found that even under the most compelling circumstances authorities have withheld permission to leave in family-reunification cases. Several appeals to the International League have been made on behalf of sick, aged relations in Romania.

In testimony to the league, Katharina Stoichitia described her ailing 84-year-old mother's unsuccessful effort to leave Romania to join her:

> My mother cannot care for herself; my brother died last year; and now she is alone. Yet, the authorities keep refusing to let her leave. They even threatened to take away her apartment. She is so old and frail; shouldn't a child be able to care for her aging parent when she falls ill? Why won't they let her go?

In addition to the problems and frustrations encountered during the application process itself—essentially a runaround—a large number of applicants are forced to suffer other reprisals and forms of harassment. These take many different forms, such as confinement to psychiatric hospitals, job dismissal, demotion and transfer, expulsion from schools and universities, house searches, and mail and telephone surveillance.

The league is not in a position to comment definitively on the overall number of persons who seek to emigrate from Romania nor on the total number of Romanians who immigrate to any particular country. We limit our analysis to those cases brought directly to our attention by would-be emigrants or their family members. We are disturbed by the large number of cases in our documentation which remain unresolved and by the fact that many of these individuals have had to undergo reprisals.

We have closely monitored the work of other organizations active in this area. We find that our caseload reflects a widespread and systematic pattern of abuse of the right to emigrate freely suffered by all sectors of the population.

This concludes my statement, Mr. Chairman.

Senator DANFORTH. Thank you very much.

[The prepared statement of Nina Shea follows:]

STATEMENT OF MS. NINA SHEA, PROGRAM DIRECTOR, THE INTERNATIONAL LEAGUE FOR HUMAN RIGHTS

The International League for Human Rights is one of the oldest of the general purpose non-governmental international human rights organizations. Founded in 1942, and based in New York City, we work on a broad range of human rights issues concerning countries in all regions of the world. Some current League projects address the state of human rights in such diverse countries as Paraguay, Chile, East Germany, South Africa, Taiwan, and Northern Ireland. The League also works closely with a network of forty affiliates in some thirty countries throughout the world.

In the late 1970s, the League began to receive a steady stream of personal appeals concerning emigration from Romanian citizens and their close relatives living abroad. Their appeals were so numerous and the problems they encountered so common that the League established a Family Reunification Project to assist them. The Project, whose caseload now amounts to many hundreds, systematically documents each case so that we may intervene on their behalf. (Attached to this statement are Appendices which present 275 Romanian cases which our documentation indicates are still unresolved. Appendix AI presents details about a selection of cases from the overall Project which reveal circumstances of particular hardship).

Not only is the right to emigrate a requirement under the terms of the Jackson-Vanik amendment, but the right to leave is also guaranteed in basic international human rights instruments. Article 12 of the International Covenant on Civil and Political Rights, to which Romania is a party, provides that "Everyone shall be free to leave any country including his own." Family reunification is also an important provision of the Final Act of the Conference on Security and Cooperation in Europe ("the Helsinki Accords").

Although the denial of the right to leave a country might not seem as compelling to some observers as such human rights violations as arbitrary arrest and detention, psychiatric abuse, property confiscation, or job discrimination, the League has received reports that applicants for emigration in Romania often experience these very same problems in apparent reprisal for their application to leave. In addition, denials of the right to leave, often entailing the separation of families, can result in very real and distressing conditions and create much human suffering.

THE PROCESS FOR APPLYING TO LEAVE ROMANIA

The process for obtaining visas and passports has not substantially changed from previous years. It remains complex, arbitrary, and fraught with bureaucratic delays. (This process has been described in detail in previous testimony before this Committee.)

The League has found that there is no set procedure for obtaining the application forms. In some cases, authorities have refused to issue them altogether (cf. Ernst O.

Schneider, Appendix AI. No. 35). In other cases the applicants report being misdirected from one office to the next and even from one city to the next before reaching the proper authorities (Possmayer family, Appendix AI. No. 26). In cases where the forms are finally acquired and submitted, the applicant is likely to encounter other obstacles resulting in further delay. The League has received testimony from applicants that unmarked—blank—pieces of paper are sometimes used for the preliminary application form. In the event it is lost, the applicant would have no way of demonstrating that one had ever been submitted. Another applicant testified that a simple misspelling in the application has been used by authorities as an excuse to begin the entire procedure anew.

The International League for Human Rights believes that the Romanian government should be urged to simplify, regularize, and once it is revised, widely publicize the application procedure to eliminate such arbitrary practices.

REPRISALS AND SUFFERING EXPERIENCED BY APPLICANTS

In addition to the problems and frustrations encountered during the application process itself, a large number of applicants report that they suffer other reprisals and forms of discrimination by the authorities solely because of their application to leave. These take many different forms.

The League has found that prolonged delays in processing applications and repeated rejections that often follow can be the cause of much human suffering. Many of the League's cases involve persons who wish to rejoin close family members abroad; some of these are described in detail in Appendix AI. Of this sample group, thirteen involve separation of children from their parents (Betschner, Boemches, Cherebetiu, Crestels, Deffert, Holz, Koszar, Krauss, Manolescu, Possmayer, Stoichitia, Ziegler); five cases concern separation of husbands from their wives (Fuchs, Grigoras, Koos, Helga Mueller, Vrabie); eighteen represent other close family members who are separated (Banu, Bartlof, Czako, Dimitrescu, Goschy, Heib, Lazar-Scorteanu, Loch, Metz, Mignea, Richard Mueller, Preisach, Reng, Schneider, Sfintescu, Stark, Urban, Weinhardt).

Even under the most compelling circumstances, authorities have withheld permission to leave in family reunification cases. Several appeals to the International League have been made on behalf of sick, aged relations in Romania. In one case, Minerva A. Stoichitia (Appendix AI. No. 39), an elderly woman, tried to emigrate to visit her only living child and to receive more advanced medical attention for her heart ailment; the authorities refused permission for her to leave. In other cases, Romanians have been prevented from leaving their country to rejoin their parents aboard who are ailing and require care. (Annemarie Crestels, Appendix AI. No. 8). In another case, Ioan Novac (Appendix AI. No. 25), a Romanian who emigrated to West Germany, suffered a severe stroke after his arrival there and is currently hospitalized. His wife has applied to Romanian authorities for permission to visit him, perhaps for the last time in view of the seriousness of his condition; her request has been refused.

In many of the League's cases the applicants report that they have been subjected to severe reprisals. These measures include confinement to psychiatric hospitals, job dismissal, demotion and transfer, expulsion from schools and universities, house searches, and mail and telephone surveillance. Such actions are themselves violations of international law. In the case of Ioan Sacherlarie (Appendix AI. No. 32), a professor of language and literature, the applicant was committed to a psychiatric hospital where neuroleptic drugs were administered against his will. The authorities, declaring him mentally unfit, reportedly insinuated that he was subject to "emigration fantasies."

In a number of the cases reported to the League, the applicant was dismissed from employment after submitting an application for emigration. Ecaterina Dilmitrescu (Appendix AI. No. 10), a teacher, lost her job after twenty-three years. Ioan Sacherlarie (Appendix AI. No. 32) was dismissed from his professorial post a few days after applying to leave in 1977, and has been unable to find other employment in his field. Following his request for preliminary application forms in 1981, Mihai Dan Manolescu (Appendix AI. No. 31) lost his job. Maria Koos (Appendix AI. No. 15) was fired and then deprived of unemployment benefits after applying to leave. In another case, Alexandru Bogdan (Appendix AI. No. 6), highly qualified aerospace engineer, was fired from his job after requesting permission to emigrate. Alina Lazar-Scorteanu (Appendix AI. No. 17), a teacher, received notice of dismissal which pronounced her ideologically unfit to teach high school students because of her desire to leave Romania.

Such dismissals have distressing consequences. Mariana Grigoras (Appendix AI. No.14), a Romanian woman whose husband lives in the United States, has been unable to provide adequate financial support for her young daughter because she was fired after requesting permission to rejoin her husband. They have also been denied medical assistance, and the child is not permitted to attend school. The League has noted that her husband is the son of a former Minister of Justice, and questions whether this may not be a reason for the continued separation of the family.

Even more frequently, those who wish to leave Romania are demoted, sometimes to perform menial labor which is far below their qualifications. (Ioan Banu, Heib, Claudiu Mignea, Stefan Stefanescu, Cornelia Sfintescu, Hans Ziegler—Appendix AI). Several others report transfers to jobs 100-250 kilometers away, resulting from their efforts to emigrate (Czako, Dimitrescu, Fuchs, Stefanescu, Urban, Vrabi—Appendix AI). Because other members of the household are unable to secure work, or the family is unable to find housing in the new location, these families must then live apart *within* Romania. This situation is all the more acute when it involves a single parent household and the young children must remain behind alone (Vrabie—Appendix AI. No.4).

Emigration applicants also report denials of access to education. The children of two families were denied admission to school after their family's application to leave the country was filed (Grigoras, Lazar-Scorteanu—Appendix AI). In addition, academic degrees have been withheld from students who have applied to emigrate (Deffert, Possmayer—Appendix AI).

Other forms of reprisal encountered by romanian citizens who wish to resettle abroad include house searches (Sachelarie—Appendix AI. No.32), interrogations by police (Stefanescu—Appendix AI. No. 37), and being subject to surveillance (Manolescu—Appendix AI. No.31). In one family even the children were interrogated (Sandtner—Appendix AI. No.33). Others report interference with written correspondence (Koos, Sachelarie, Sandtner—Appendix AI) or telephone conversations (Stefanescu—Appendix AI. No. 37).

The International League for Human Rights decries such reprisals against persons seeking to exercise their right to leave the Socialist Repubilc of Romania. We ask that the Romanian government put an immediate stop to these measures, and facilitate the emigration of those of its citizens who seek to leave.

PERMISSION TO EMIGRATE

The League is not in a position to comment definitively on the overall number of persons who seek to emigrate from Romania, nor on the total of Romanians who imigrate to any particular country. We limit our analysis to those cases brought directly to our attention by would-be emigrants or their family members on which we have obtained further confirmation and documentation.

Our continuing caseload includes nine instances where, for more than 15 years, the Romanian government has refused to permit certain families to emigrate (Appendix AI: Bartolf, Deffert, Holz, Loch, Novac, Possmayer, Reng, Urban, Weinhardt). In two of these cases (Appendix AI: Holz, Possmayer), the efforts to obtain permission began in 1958.

We have closely monitored the work of other oganizations active in this area. we find that our caseload, although not exhaustive, reflects a widespread and systematic pattern of abuse of the right to emigrate freely.

The resolution of situations revealing particular hardship such as the nine long-term cases and those outlined throughout this testimony and in Appendix AI is a critical indicator of the Romanian Government's commitment to the right to emigrate freely. We recommend that Congress weigh progress on these cases before taking action on the Presidential waiver of Section 402.

Senator DANFORTH. Senator Moynihan?

Senator MOYNIHAN. Mr. Chairman, briefly but emphatically I would like to thank all of our witnesses. If you wouldn't mind, particularly I would like to thank Ms. Shea.

I received the 1976 award of the International League for Human Rights. It was a matter of some importance to me. Would you mind if I made one preliminary remark, quickly?

We are not talking about Denmark. Romania is, as Mr. Orasel has said, a totalitarian state. It is a hard Stalinist state, the equivalent of which there is none. No such form of government has ever existed in the world until Lenin began it in 1917. But it does appear to the majority of our witnesses and to our Government that on balance this state is prepared to be less brutal than it ordinarily would be in return for certain kinds of arrangements with us.

And in the exercise of the leverage we have—I would like to thank Mr. Birnbaum—will you give us the names of the Ratescu family and things like that? Give us specifics, just as you, in the pursuit of a very old and very honored tradition, speak in terms not of generalities but of people, places, circumstances.

I am sure Mr. Chairman will turn those names over to our Government and ask that they be raised as specific issues in the September meetings.

I thank you for that, but I do want you to know we have no illusions about the Ceausescu regime. But we seem to have an opportunity to moderate somewhat its conduct, and that is the limit of our abilities at this time.

Thank you, Mr. Chairman.

Senator DANFORTH. Senator Bradley?

Mr. ORASEL. Mr. Moynihan, thank you. We have to create the conditions, however, so that next year there will be some conditions which the Romanians can understand as goals and guidelines at which they have to work to. Unless we give them some guidelines and signal that we mean those guidelines, then it is not going to work.

Senator MOYNIHAN. You could not be more correct, sir.

Mr. ORASEL. So I welcome Senator Dole's statement that there be some kind of concrete resolution rather than the usual vague pleas to the Romanians to please do better this year. It has to be very concrete.

Senator MOYNIHAN. I could not more agree. You are quite right, sir.

Mr. ORASEL. We have prepared five or six points in this area.

Senator MOYNIHAN. Would you submit them to the committee?

Mr. ORASEL. We have discussed them in great detail with the committee on both sides of the house.

Senator DANFORTH. Senator Bradley?

Senator BRADLEY. Mr. Chairman, I would request that the full statements or any supporting documents that any of the witnesses would like to submit to the record as part of the permanent record would be allowed.

Senator DANFORTH. Of course. Any statements will be.

Senator BRADLEY. So that, even though there are necessary time limitations, that each member will have the full opportunity for the committee's deliberations on everything that he or she had to say.

Senator DANFORTH. Senator Symms?

Senator SYMMS. No questions, Mr. Chairman.

Senator DANFORTH. Thank you all very much for being here.

Ms. SHEA. Thank you, Mr. Chairman.

Senator SYMMS. The next panel consists of Barbu Niculescu, Mr. Gereben, and Mr. Hamos. This will be our last panel this morning.

Mr. Niculescu?

Mr. LEMPICKI. He isn't here. I am Thad Lempicki. I am co-chairman and vice president of the American-Romanian Cultural Foundation. Mr. Niculescu couldn't make it because of unexpected surgery the other day.

Senator SYMMS. All of your entire statements will be made a part of our record.

Mr. LEMPICKI. Thank you.

Senator SYMMS. Go right ahead.

STATEMENT OF BARBU NICULESCU REPRESENTING THE AMERICAN-ROMANIAN CULTURAL FOUNDATION, DELIVERED BY THAD LEMPICKI

Mr. LEMPICKI. Our offices are located at 6 East 80th Street, New York. To introduce our foundation, we can identify our trustees, patrons, and members as being Americans who are active in the various professional fields. We also state that our membership is not primarily of Romanian family background but includes nearly every ethnic background found in all of Europe. The common bond we share in the foundation is our interest in expanding and strengthening America's international policies and positions especially with emphasis on Romania.

We wish to state that we join and support President Reagan, State, Commerce, and other important department officials in recommending continuation of waivers permitting further extension of most-favored-nation tariff status for Romania.

We strongly believe and agree with the President and other officials that continuation of MFN for Romania is essential if we as a nation are to continue to develop bilateral economic relations. There can be no doubt that without MFN status for Romania the present trade level, which is at the billion dollar level, would never have been developed. We should also recognize that in this billion dollar trade, America has consistently enjoyed a very favorable balance of trade position as Romanian purchases of American products average nearly 3 to 1. We also recognize that there has been a steady growth in America's share of the Romanian market and that presently America is enjoying the position of being ranked third among all nations that sell products to Romania. This expansion of trade in America's favor could not have happened without MFN, nor can we continue this favorable growth trend without further extension of MFN tariff status to Romania.

In addition to the tangible commercial benefits derived from trade, and especially one that consistently provided America with a favorable balance of payments, we must also highlight the clear fact that this has also resulted in strengthening and expanding political, cultural, and other relations with many various benefits generated. There is no doubt in our minds, and it is supported by the State and Commerce Departments' testimony over the years, that trade was the foundation that permitted both America and Romania to expand dialog on many different subjects, to increase levels of trust and respect, and to cement these improved relations in all areas.

We should also properly recognize that since MFN was initially granted to Romania in 1975, the American and Romanian Governments as well as American and Romanian businessmen have not, to the best of our knowledge, engaged in any major disagreement that was not resolved equitably and sincerely by the parties. Romania, with America's encouragement, has made many changes in its commercial laws in order that those doing business with Romania would do so in a more conducive atmosphere.

America's trade with Romania has been very successful in helping bring Romania into the international market and to integrate Romania's economy with that on the international level. There are many benefits inherent in encouraging further integration in and reliance upon the American and international trading economy and system.

On another important subject, we are convinced and agree with past testimony of our State Department that Romanian emigration is being permitted and that such over the years reflects a steady improvement. Much of this improvement is directly the result of both American and Romanian Government officials being able to candidly and sincerely discuss even the most sensitive areas in the emigration issue and make progress.

In concluding this testimony and recommendation, we again recommend continuation of MFN tarif status for Romania. Our recommendation recognizes major gains over the years in the economic, human rights, emigration, and political areas that would not have been possible without MFN tariff status for Romania. Without further extension of MFN, cementing what has been gained and further increase in these areas will be impossible.

Termination of MFN to Romania will also be a major setback to our foreign policy objectives. There can be no doubt that extension of MFN to Romania is in America's best interests and is the most practical, prudent, and beneficial course of action for us to take.

A major reversal in our foreign policy at this time will also severely damage Romania's economy and years of their work in preserving and expanding their status as an independent and sovereign country actively participating at the international level.

Over the years, we have encouraged Romania to trade with America. As this trade grew, America's trade became a very important part of Romania's economic structure. Any reversal in our policy at this time will seriously affect and may even destroy Romania's present economy, and it is not in our best interests.

Hopefully, the committee's decision will be in America's best interests.

Senator SYMMS. Thank you very much for your statement.

[The prepared statement of Barbu Niculescu follows:]

PREPARED SATEMENT OF BARBU NICULESCU, CHAIRMAN, AND THAD LEMPICKI, COCHAIRMAN, REPRESENTING THE AMERICAN-ROMANIAN CULTURAL FOUNDATION

SUMMARY STATEMENT

Mr. Chairman and distinguished members of this Subcommittee. We personally welcome and appreciate this opportunity and invitation from the committee to testify on the subject of further extension of Most Favored Nation Tariff Status for Romania.

I am Mr. B. Niculescu and am the Chairman and President of the American-Romanian Cultural Foundation. With me today and joining me in presenting the Foundation's recommendation is Mr. Thad Lempicki, Co-Chairman and Vice President of our Foundation. Our offices are located at 6 East 80th Street, New York, N.Y.

To introduce our foundation we can identify our Trustees, Patrons and Members as being Americans who are active in the various professional fields. We should also state that our membership is not primarily of Romanian family background but also includes nearly every ethnic background found in all of Europe. We may honestly say that we have a very American mix of ethnic backgrounds.

The common bond we share in the Foundation is our interest in expanding and strengthening America's international policies and position, especially in Romania.

We wish to state that we join and support President Reagan, State, Commerce and other important department officials in recommending continuation of waivers permitting further extension of Most-Favored-Nation Tariff Status for Romania.

We strongly believe and agree with the President and other officials that continuation of MFN for Romania is essential if we as a nation are to continue to develop bilateral economic relations with Romania. There can be no doubt that without MFN trade status for Romania, the present trade level which is at the billion dollar level would never have been developed. We should also recognize that in this billion dollar trade, America has consistently enjoyed a very favorable balance of trade position as Romanian purchases of American products average nearly 3 to 1. We also recognize that there has been a steady growth in America's share of the Romanian market and that presently America is enjoying the position of being ranked third among all nations that sell product to Romania. This expansion of trade in America's favor could not have happened without MFN nor can we continue this favorable growth trend without further extension of MFN tariff status to Romania.

In addition to the tangible commercial benefits derived from trade and especially one that consistently provided America with a favorable balance of payments, we must also highlight the clear fact that this has also resulted strengthening and expanding political, cultural and other relations with many various benefits generated for and enjoyed by both countries. There is no doubt in our minds and it is supported by State and Commerce Departments' testimony over the years that trade was the foundation that permitted both America and Romania to expand dialogue on many different subjects, increase levels of trust and respect and to cement these improved relations in all areas.

We should also properly recognize that since MFN was initially granted to Romania in 1975, the American and Romanian governments as well as American and Romanian businessmen have not to the best of our knowledge, engaged in any major disagreement that was not resolved equitably and sincerely by the parties. Romania with America's encouragement has made changes in its commercial laws in order that those doing business with Romania would do so in a more conducive atmosphere. America's trade with Romania has been very successful in helping bring Romania into the international market and to integrate Romania's economy with that on the international level. There are many benefits inherent I encouraging further integration in and reliance upon the American and international trading economy and system.

On another important subject, we are convinced and agree with past testimony of our State Department that Romanian emigration is being permitted and that such over the years reflects a study improvement. Much of this improvement being directly the result of both American and Romanian government officials being able to candidly and sincerely discuss even the most sensitive areas in the emigration issue and make progress.

In concluding this testimony and recommendation, we again recommend continuation of MFN tariff status for Romania. Our recommendation recognizes major gains over the years in the economic, human rights, emigration and political areas that would not have been possible with MFN tariff for Romania. Without further extension of MFN, cementing what has been gained and further increase in these areas will be impossible.

Termination of MFN to Romania will also be a major setback to our foreign policy objectives. There can be no doubt that extension of MFN to Romania is in America's best interests and is the most practical, prudent and beneficial course of action for us to take.

A major reversal in our foreign policy at this time will also severely damage Romania's economy and years of their work in preserving and expanding their status as an independent and soverign country actively participating at the international level.

Over the years, we have encouraged Romania to trade with America. As this trade grew, America's trade became a very important part of Romania's economic structure. The reversal of our policy as many propose, will only serve to destroy all progress after these years of efforts and cooperation. It can't be restored even after a one year suspension. This must be very obvious to all concerned.

This reversal in our foreign policy has even further undesirable impacts as it will essentially be a signal interpreted as a warning to all small nations that America can easily reverse itself overnight and how far America can be trusted will be very seriously questioned.

Whatever you decide, we urge you to make your decision on the basis of what is best for America's interests.

Thank you again for this opportunity.

In concluding this testimony and recommendation, we again recommend continuation of MFN tariff status for Romania. Our recommendation recognizes major gains over the years in the economic, human rights, emigration and political areas that would not have been possible without MFN tariff status for Romania. Without further extension of MFN, cementing what has been gained and further increase in these areas will be impossible. Termination of MFN to Romania will also be a major setback to our foreign policy objectives. There can be no doubt that extension of MFN to Romania is in America's overall best interest and is the most practical, prudent and beneficial course of action for us to take.

DETAIL STATEMENT

Mr. Chairman and distinguished members of this committee, we sincerely appreciate this invitation and opportunity from this Committee to present our recommendations concerning further extension of Most-Favored-Trade tariff status for Romania. We sincerely appreciate invitations in past years and also look forward to being recognized and honored by invitations in future years. We consider it to be a great honor to have our position on MFN for Romania to be included in the Committee's deliberations and decision on this most vital matter.

We take this opportunity to register our recommendation for further extension of MFN trade status for Romania. We join with and strongly support President Reagan and the State and Commerce Departments and other government officials in this same recommendation that it is in America's and mankind's best interests that Romania's MFN trade status be extended for an additional period of time.

It is clearly evident that since MFN was first granted to Romania in 1975 that there has been considerable growth in trade with the present level being an annual trade volume of one billion dollars. Benefits are multiplied in America's favor as we have over the years enjoyed a favorable balance of payments that is nearly three to one in America's favor. This steady growth has resulted in America becoming Romania's third largest and most important trading partner and exporter of products to Romania.

We must recognize properly the fact that the primary purpose of the Trade Act is to encourage trade. In this instance, the Trade Act has been very successful and will continue to magnify into greater and higher levels of trade between America and Romania.

The following briefly discusses other benefits generated by MFN tariff status being granted to Romania.

1. Human rights have benefitted from MFN and will continue to do so in future years.

One important right is that of emigration being available to all citizens of every nation of the world. In Romania's case, its performance over the years on this very sensitive subject has been reflecting an overall improvement over the years. This improvement has been documented by our State Department who are charged with the responsibility to closely monitor and report on progress and performance in this area.

Findings by the State Department have been reported in these hearings in each year since MFN was first granted to Romania in 1975 and have been favorable in that an overall improvement has taken place. Romania's willingness to maintain an open dialogue on this subject and sincerely discuss even the most sensitive aspects of this subject have been identified by our officials as being a major contributor to success in this area.

We agree that much of this success is the direct result of MFN trade status as the high confidence levels developed in trade carried forward to the subject of emigration as well as many other vital areas.

To deny MFN tariff status extension would have a major unfavorable impact not only on gains made in past years but also on the favorable gains available in the near future.

2. Another important consideration is that Romania's sincere desire to cooperate has resulted in many of Romania's restrictive commercial laws being revised in accordance with American recommendations.

This change not only grately benefitted and protected American business interests but also made such benefits available to other Western Nations desiring to do business with Romania. We know of no instance where an American businessman was not able to quickly and fairly resolve a commercial problem with his Romanian counterpart.

3. One very beneficial result generated by MFN was to further integrate Romania's economy with America's and that at the international level. This integration has been steadily expanding with very obvious benefits to America, Romania and the remainder of mankind. Continuation of MFN tariff status will serve to further integrate Romania's economy with international trade and other nations.

4. The expanded dialogue and increased respect and confidence levels enjoyed by Romania and America is one major result of increased trade made possible by MFN, enabled American and Romanian officials to openly discuss many sensitive subjects where American and Romanian leaders still disagree. While some disagreement may exist, an expanded economic exchange coupled with an expanded cultural and political exchange are the means to encourage change in areas where America and Romania may disagree. Trade opens many avenues to solutions of major non-economic problems and in most instances, trade is the foundation upon which nations build strong, beneficial and long lasting relationships. To deny MFN to Romania would have a devastating affect on this most important advantage that took years to develop.

5. It is also in America's best interests to encourage Romania to continue to maintain its rapidly developing independence as a sovereign nation. We must do everything possible to preserve Romania's independence and formulation of its own foreign policy. To maintain its independence requires a strong economy which is one of the objectives that MFN will make possible. To be dealt an economic blow such as deferral or suspension of MFN status for Romania would serve to force Romania to subject itself to tighter controls by Moscow with the final end result being loss of its precious sovereignity. America cannot establish a policy whereby one time we encourage independence by establishing an independent economy in a country such as Romania and then on another occassion we destroy this built up independent economy by terminating MFN trade status to the same nation. Our country's foreign policy that includes MFN trade status must be consistently applied each year for long periods of time.

SUMMARY

In conclusion, we must state that we believe that continuation of MFN tariff status for Romania is vital to cementing all the progress made since MFN was first granted in 1975 and to encourage future development of an enduring, cooperative and mutually beneficial relationship between America and Romania.

We also believe that Romania's past performance in the sensitive area of emigration has been steadily improving over the years and that this record of improvement justifies extension of MFN.

Continuation of MFN is also vital to continued growth in cultural and political areas as well.

After extensive consideration of all factors, the Foundation strongly recommends the extension of the President's authority to waive Section 402 of the Trade Act and extend MFN tariff status for Romania.

Senator SYMMS. Mr. Gereben?

STATEMENT OF ISTVAN B. GEREBEN, EXECUTIVE SECRETARY, COORDINATING COMMITTEE OF HUNGARIAN ORGANIZATIONS IN NORTH AMERICA, ROCKVILLE, MD.

Mr. GEREBEN. Mr. Chairman, we are grateful for an opportunity to present our views on the subject considered by the subcommittee today.

I have a written statement and I request that it and its annexes be included in the record.

Senator SYMMS. It will be.

Mr. Gereben. With respect to Romania, we presented our views in testimonies submitted to this subcommittee in the past years.

Detailed update of the situation of the Hungarian minority in Romania are being submitted by the Committee of Transylvania and the Committee for Human Rights in Romania. We support those statements and their conclusions.

We strongly endorse the resolution submitted in this subject by Senator Helms and cosponsored by you, Senator.

With respect to Hungary, we respectfully submit that granting MFN status to Hungary has not resulted in the substantial promotion of the objectives of section 402 of the Trade Act.

The government in Hungary displays inhuman characteristics in the many outstanding family reunification cases pending for 1 to 5 years. The reasons cited for denial of exit visas are: the legal age for emigration, and the assertion that the emigration of the individual would harm the public order.

In my written statement I touch upon the cases of the Kabat, Fekete, and Vidak families, of Andras Kiss, and of Sandor Zoboki, Jr. Each of these cases brings into focus a different aspect of the cruelty of the government in Hungary.

The outstanding family unification cases, by their very nature and by the duration for which many of them remained unresolved, reveal the attitude of the government in Hungary which is neither positive nor humanitarian. We urge the members of the Senate to approach the continued division of these families with greater perception.

The generally poor performance of the regime ruling Hungary is further reflected by its continued and stubborn refusal to reveal the location of the graves of those who were executed after 1956 for their role in the Hungarian revolution.

The recently reported crackdown on dissidents, the renewed misuse of psychiatric treatment as punishment for political behavior indicates that the rulers of Hungary are not hesitant to borrow the tools of tyranny from the Kremlin when faced with dissent.

Recent reports, quoted extensively in my written statement, indicate that Hungary's economy, contrary to the claims by many, is in a most critical stage. Hungary now, more than ever, depends on Western credit, markets, technology, management techniques. Perhaps we here in the United States are at the point where our flexing of economic muscle—tempered by astute diplomacy—could yield some political dividends in Hungary. We should refine our approach to linkage of our economic policy toward Hungary and human rights practices of the Kadar regime and exercise our leverage with greater skill. This will require hard political decisions, some sacrifice and cooperation on the part of the American business community, and above all determined, well-informed actions by the administration and the Congress.

A direct link between economic cooperation and observance of human rights is not just a possible and plausible step for our Government; it is its actual obligation under the terms of the Helsinki Agreement. If we forget this, what point is all the sanctimonious talk we heard from Madrid and the language of section 402 of the Trade Act?

The United States should consider the Presidential recommendation to continue the waiver applicable to Hungary in this vein. Congress must demand assurances for a timely and satisfactory resolution of the outstanding family unification cases, for humanitarian reconsideration of the request made by Members of Congress for the identification and accessibility of the graves of those who were executed after the revolution, and for improvement of the general human rights conditions in Hungary as reasonable concessions by the government in Hungary in return for favorable consideration of the continuation of its MFN status.

Senator SYMMS. Thank you very much for your statement.

[The prepared statement of Istvan Gereben follows:]

TESTIMONY
OF
THE COORDINATING COMMITTEE OF HUNGARIAN ORGANIZATIONS IN NORTH AMERICA

BEFORE THE SUBCOMMITTEE ON INTERNATIONAL TRADE

OF

THE UNITED STATES SENATE

ON

A PRESIDENTIAL RECOMMENDATION TO CONTINUE THE WAIVERS APPLICABLE TO THE SOCIALIST REPUBLIC OF RUMANIA, THE HUNGARIAN PEOPLE'S REPUBLIC AND THE PEOPLE'S REPUBLIC OF CHINA AND TO EXTEND THE WAIVER AUTHORITY UNDER THE TRADE ACT OF 1974

ON

AUGUST 10, 1982

DELIVERED

BY

ISTVAN B. GEREBEN

EXECUTIVE SECRETARY

COORDINATING COMMITTEE
OF
HUNGARIAN ORGANIZATIONS IN NORTH AMERICA

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TELEPHONE [illegible]

Mr. Chairman, distinguished Members of the Committee,

My name is Istvan B. Gereben. I am the Executive Secretary of the Coordinating Committee of Hungarian Organizations in North America, the consultative body of all major Hungarian Organizations in the United States and Canada. It is in this capacity that I am making this testimony.

We are grateful for the opportunity to present our views on the subject considered by the Subcommittee today.

With respect to Rumania, we presented our views in testimonies submitted to this Subcommittee in the past years. We opposed the waiver applicable to the Socialist Republic of Rumania. Our testimonies were based on undisputable documentation of the violations committed by the Rumanian Government against the basic human and nationality rights of Hungarians living in Rumania. The situation did not improve.

Detailed update of the situation of the Hungarian minority in Rumania are being submitted by the Committee of Transylvania, Inc. and the Committee for Human Rights in Rumania. We support those statements and their conclusions.

Since there are no improvements in the treatment of Hungarians in Rumania, we oppose the approval of the extension of authority under the Trade Act of 1974 to waive the freedom of emigration requirements under Section 402, and for continuation of the waiver applicable to the Socialist Republic of Rumania.

We strongly endorse the resolution submitted in this subject by Senators Helms and Symms.

With respect to Hungary we respectfully submit that granting MFN status to Hungary has not resulted in the substantial promotion of the objectives of Section 402 of the Trade Act.

Emigration Laws of the People's Republic of Hungary

The President in his message to Congress requesting extension of the waiver to the requirements of Section 402 of the Trade Act of 1974 for Hungary stated: "The relatively liberal Hungarian domestic situation seems to defuse any pent-up demand to emigrate and the actual number of citizens who apply to leave Hungary is apparently small".

We would like to remind the members of this Subcommittee that there are thousands of Hungarians who refuse to return from visits to the west every year. This fact demonstrates that there is no pent-up desire to leave the "relatively liberal" domestic situation created by the Government in Hungary. The small number of Hungarians applying for emigration is explained more by the Hungarian emigration laws - which are the most prohibitive in East-Central Europe-than by the lack of desire to emigrate. A detailed analysis of these laws and thier effects was conducted by the Law Division of the Library of Congress in 1977 and in 1979. According to this analysis "a Hungarian passport for permanent stay abroad may be issued only to a person who is over 55 years of age and wants to depart for the purpose of living with a parent, child or spouse, provided that he is not liable in Hungary for support or for private or public debts. The Minister of the Interior may grant exceptions from these restrictions in well-founded cases.

This section of the Decree regulating the issue of passports rather than "pent-ups" desire to emigrate holds the number of citizens who apply to leave Hungary small.

The Outstanding Family Reunification Cases

The Government in Hungary displays similar characteristics in the many outstanding family reunification cases pending for one to five years. The reasons cited for denial are: the legal age for emigration, and the assertion that the emigration on the individual"would harm the public order".

In the case of the Kabat family the Hungarian regime drags its feet for five years. The family is not allowed to join Kabat's sister, a U.S. citizen. Why? The Government in Hungary argues that "travel abroad for the family would harm the public order". The Subcommittee should look into this strange argument before accepting it by continuing the waiver for the Government in Hungary.

The Fekete family was denied emigration permits based on the legal age for emigration. They case is unresolved for the past four years. We recommend that the Subcommittee take a critical look at the Hungarian emigration laws which are ostensibly restrictive and contrary to the conditions which Section 402 of the Trade Act of 1974 was designed to promote in that they stipulate that a person can normally apply to emigrate only if over 55 years of age and joining a parent, spouse or child abroad.

The case of the Vidak family reflects the cruel nature of the arbitrary implementation of the law by the Hungarian regime. Mr. Vidak after the application for permit to emigrate made several years ago for all members of his family was denied recently requested a regular tourist passport to visit his ill father living in the United States. The Government in Hungary denied him the opportunity to see his father prior to death. Why? The Subcommittee should search for an acceptable answer before condoning this behavior of the rulers of Hungary by acting favorably on the extention of MFN status to the People's Republic of Hungary.

The case of Andras Kiss who wants to join his wife here in the United States again calls attention to the arbitrary, cruel handling of family unification cases by the Government in Hungary.

The case of 13 year old Sandor Zoboki Jr. is especially interesting. He and his father have been separated since 1970, when his father, a Hungarian Air Force pilot defected by flying his MIG fighter to Italy. Following the mother's death, application for emigration was submitted, and permission was denied stating that the emigration of the 13 year old boy in order to join his father is extremely harmful to the public order.
It is understandable that the Government in Hungary was embarrased by the defection of the father but why punish the boy by denying him emigration to join his father. How can public order be harmed by the release of a 13 year old boy to his father? Does the never forgiving characteristic vengeance of the regime work in this case as in the case of the denial of access to the gravesites of the executed? Do sons must pay for the actions of their fathers as fathers, mothers, sisters, brothers, sons and daughters must pay for the actions of their beloved family member? The Government in Hungary apparently is convinced that they must.

The outstanding family unification cases by their very nature and by the duration for which many of them remained unresolved reveal the attitude of the Government in Hungary which is neither positive nor humanitarian. We urge the members of the Senate to approach the continued division of these families with greater perception. The attitude of the Government in Hungary should not be condoned by members of the Senate by approving the continuation of MFN status to the People's Republic of Hungary without extracting tangible assurances from the Government in Hungary regarding the satisfactory and timely resolution of these cases.

The Unique Family Reunification Cases of Imre Nagy and Others Executed in the Aftermath of the Hungarian Revolution.

The attitude of the Government in Hungary on family reunification cases is reflected best by its continuous and stubborn refusal to reveal the location of the burial place of most of those who were executed by the present regime in the years after the 1956 Revolution. The remains of the executed Imre Nagy, Pal Maleter, Miklos Gimes, Jozsef Szilagyi, the murdered Geza Losonczy, and the many scores of teenagers who were hanged on their 18th birthday during the years of 1957 and 1962 are burried in graves whose locations are kept as a state secret. The bodies were not released to the relatives. Repeated attempts to recover the remains or gain permission to visit the gravesites by family members failed. On the 25th Anniversary of the Hungarian Revolution, Senator Moynihan, Representatives Fenwick and Horton, wrote to the Ambassador of the People's Republic of Hungary to the United States expressing interest in this matter and requesting that he convey their "sincere concern to Government and to First Party Secretary Kadar, and our request that the many unmarked graves be identified". Ambassador Petran refused to relay the request and with unusual diplomatic discourtesy returned the original letter to Congressman Horton. A follow up request to Mr. Kadar mailed on January 26, 1982 still remains unanswered. I request that the letters exchanged in this matter be included in the record as part of my testimony.

It is frequently stated that the regime in Hungary is "liberal and secure". Even Ayatollah Khoumeni, whose regime is never referred to as "liberal", released the remains of the murdered or executed victims of his uncontrolled vengeance to their families. The "liberal" Mr. Kadar consistently refuses to do the same with the remains of the betrayed victims of his bloody ascendancy to power.

This attitude clouds the carefully manufactured image of Mr. Kadar as the "liberal statesman" of Eastern Europe who is "secure" in his position and enjoys popular support.

Mr. Kadar is neither liberal nor secure. A liberal would respond to humanitarian requests of this kind positively. A secure leader would not be so fearful of his past that he feels compelled to permanently incarcerate the souls of his physically liquadated victims in anonymous graves in order to preserve his present.

A statesman would extend the courtesy of answering the inquiries from elected officials of another country.

Much can be learned from the response of the Government in Hungary to the subject request conveyed by members of the U.S. Congress. Under the vail of the regime's manufactured respectability and apparent stability, the serious observer discovers vengence, insecurity, incompetence and an obnoxious disregard for basic decency.

We strongly recommend the consideration of these unique family reunification cases in the deliberation of the President's request to approve the continuation of MFN Status for the Government in Hungary.

Performance of the People's Republic of Hungary on Human Rights Issues Other Than Emigration.

At the request of the President, sent to Congress on April 7, 1978, the Congress extended nondiscriminatory treatment to the products of the Hungarian People's Republic. The President based his request for Congressional approval of his waiver of the requirements of Section 402 of the Trade Act of 1974 upon the letter which was written by Hungarian Foreign Minister Frigyes Puja emphasizing that the People's Republic of Hungary strives for the full implementation of the Helsinki Final Act. By making this letter public the President broadened the scope of the periodic performance review required by the Jackson-Vanik Amendment to the Trade Act of 1974.

The President's action meant that the performance of the People's Republic of Hungary will be monitored, evaluated and reviewed not only on the issues of emigration but other human rights issues as well.

The generally poor performance of the regime ruling Hungary concerning aspects of basic human rights was reported by our Committee in previous testimonies before this Subcommittee. No positive changes were observed in the past year. On the contrary. The recently reported crackdown on dissidents, the renewed misuse of psychiatric treatment as punishment for political behavior indicate that the rulers of Hungary are tightening their grip on the intellectuals and the dissidents of that country.

BESZELO, one of the samizdat publications of the Hungarian dissidents gives account of the ongoing harassment, continuous surveillance, search, interrogations and confiscation of manuscripts of several intellectuals who are active in the dissident movement. I request that the translation of this account be made part of my testimony and included in the record.

The regime's misuse of psychiatry for the punishment of political dissidents was also reported recently in two successive issues of BESZELO. The samizdat magazine cites two incidents:

Karoly Jakab's plight is reported in the October 1981 issue under the telling title:"Things Like That Don't Happen Here". Jakab, an agronomist, was indited for writing a number of letters to his local council which, in the words of the District Attorney, "insulted the authorities, i.e. official persons". BESZELO provides some of the evidence on the basis of which Jakab was eventually convicted. The strongest satatements were:

> "The local council does not enjoy the trust of the population... The council, which is purportedly democratic, has done nothing. It should be ashemed of itself, and should never say that it bases its authority on the trust of the township's population because if it were so then its activities would be tantamount to an abuse of that trust."

The prosecution asked for compulsory use of psychiatric treatment as part of the sentence. Since then Jakab was declared mentally incompetent and went through the whole panoply of coercive treatments including closed wards and electroshock therapy. According to BESZELO it is hard to judge how many other people are similarly abused, since the ones affected are often hidden by their anonimity. The report ends with a plea for the help of doctors and lawyers, indicating that Jakab, now with the valuable assistance of the "second public opinion" intends to carry on his fight for justice and against arbitrary use of authority.

The other case, reported in the March 1982 issue of BESZELO is the wellknown case of Dr. Tibor Pakh. In an interview Pakh himself gives account of his ordeal. Pakh on October 4, 1981 began his journey to Poland with train. At the Hungarian- Czechoslovak border his passport was confiscated and he was forced to return to Budapest by officials of the Government in Hungary. Pakh filed a complaint with the highest judicial authority on October 5, and began a hunger-strike. He was forcefully carried to the National Institute of the Mentally Ill on October 9, where he was"treated" with the drug haloperidol in such doses that he fell in delirium. He was given other drugs after the haloperidol "treatment". When Pakh's willingness to continue with his hungerstrike was not broken by the forceful administration of drugs, he was forcefed. Pakh gives a vivid description of the procedures used on him by hospital personnel:

> "I was stuffed when several of them held me down, and they forced the food in my mouth with a spoon. Some of the food get in my mouth, most did not. They thrusted the spoon in with force, one of my teeth chipped... It was impossible to continue/the hungerstrike/. They restrained me, grabed my nose, twisted it so that I was unable to breath. I had to open my mouth and then they forced the spoon in. My nostril was ripped. I had to swallow when the food was stuffed on my throat. I would cheat myself by insisting that I am fasting, I was swallowing food. And it was repulsive that the food that did not get in my mouth was spilled on my pajamas and my bedsheet. After every "meal" I was laying in a pool."

Pakh was eventually released on October 26, after he gave up his hungerstrike. It is important to note that this was not Pakh's first encounter with psychiatric "treatment" by the regime. In 1960 he was secretly tried for his political writings - some of which found their way to the West and informed the United Nations about the brutal executions of teenaged participants of the 1956 Hungarian Revolution on their 18th birthday - and sentenced for 15 years in prison for treason. In the prison he demanded that his case be retried in open court. He conducted several hungerstrikes in support of his demand. The authorities responded by "treating" him with insulin and electro-shock "therapy". Later, to justify these "treatments" Pakh - still in prison - was officially declared insane.

The plight of Jakab and Pakh - as some of the outstanding family unification cases and the numbered, secret graves of the executed do - underline the regime's cruelty and inhuman attitude driven by vengeance.

Hungary's Performance in the Fields of Economy

In our previous testimonies to this Subcommittee delivered in the years since 1978, we warned Congress against placing unquestioned faith in the promises and claimed successes of the Kadar-led Government in Hungary. It seems to us that our judgement of credibility of the Communist regime in Hungary endures the test of time.

The performance of the government in Hungary on the much heralded field of the economy disappointed not only the vast majority of Hungarians, but many of the U.S. diplomats, economists, politicians, academicians, businessmen who theorized that Hungary's New Economic Mechanism introduced in 1968 and modified several times since, and implemented by brilliant economists, financiers and monetary experts will enable the Hungarian regime to avoid the key economic problems confronted by other European CMEA countries. In reality, the expectations were proved to be overexaggerated.

A recent study by Cam Hudson of Radio Free Europe Research concludes that in Hungary: "...despite the economic reforms, available economic data suggest that one should be cautious in suggesting that the Hungarian economy has performed significantly better than all other CMEA countries."

Mr. Hudson's analysis reveals that in the last decade Hungary has experienced record low and declining rates of economic growth and has incurred high hard currency debts.

Economic indicators, especially the analysis of the growth of Domestic Net Material Product (DNMP), reveals that the widespread image of Hungary as a prosperous and rapidly growing economy during the "reform era" of the 1970s is difficult to confirm. In 1980 Hungary earned the dubious privilege of experiencing an actual decline in DNMP of 0.8%, joining Poland and Czechoslovakia as the only countries ever to report a negative growth for DNMP. In the time period 1976 to 1980, Hungary's growth rates dropped more rapidly than elsewhere, giving it the second lowest growth rate in the region after Poland.

Despite a contrary impression given in many reports by Western journalists, there is little evidence that the regime is prepared to allow a massive expansion in the activities of private enterprise. There is simply no substantive evidence to suggest that Hungary is launching a "reprivatization" campaign or that is pursuing "counterfeit capitalism".

Mr. Hudson is not alone with his analysis. A recent paper by George Schopflin: "Hungary Between Prosperity and Crisis" (Conflict Study No. 136, May 1982; The Institute for the Study of Conflict, London), analyzes the different aspects of Hungarian economy, its structures--among them agriculture, the secondary economy, poverty, corruption--and draws similar conclusions to Mr. Hudson's. He states: "Inevitably there must be a question-mark over the political stability of Hungary for all its boasted prosperity and stability. It is true that for three years, the leadership has successfully pursued a policy of austerity that has cut deep into the standard of living of the average Hungarian; however, it is doubtful if this can be pursued without some genuine political concessions."

Mihaly Vajda, a prominent Hungarian dissident, in his essay "Realism and Seeing the Point"published as samizdat in 1981", expresses the concern of Hungarian intellectuals about the much heralded economic policy of the Hungarian regime:

> "Economic rationality (economic democracy) without adequate democratic political structure is only a vain fantasy...The economic reforms are doomed to failure if they are not accompanied by political reforms. Today this is known even for the regime."

All of the above indicates that Hungary's economy is in a most critical stage. Hungary now more than ever depends on Western credit, markets, technology, management techniques. Perhaps we, here in the United States, are at a point where our flexing of economic muscle--tempered by astute diplomacy--could yield some political dividends in Hungary. We should refine our approach to the linkage of our economic policy (credits, trades, technology transfer, etc.) towards Hungary and human rights practices of the Kadar regime and exercise our leverage with greater skill. This will require hard political decisions, some sacrifice and cooperation on the part of the American business community, and above all, determined, well informed actions by the Administration and the Congress. We should cooperate with the government in Hungary to the extent to which it cooperates with us. We should limit our cooperation when the behavior of that government is uncooperative. When it acts against our interest or principles--driven by its own considerations or under the pressure from the Kremlin--we should react forcefully and should not accept private explanations for their public actions. Strong public denounciations of the violations of American interests and principles by the government in Hungary can produce the benefit of a needed argument for relaxation of internal or external pressures.

The linkage between economic policy and human rights is strongly endorsed by the Hungarian dissidents. Doug Ireland, writing in the March 6, 1982 issue of The Nation ("Hungary's Dissidents: A Cold Wind From Poland"), observes:

> "Without exception the dissidents I spoke to considered the Reagan Administration's policy toward Poland to be weak and vacillating--mere public posturing."
>
> "Virtually all of them (the dissidents to whom he spoke) supported the imposition of strong across the board economic sanctions against the Soviet Union and Poland until Solidarity's hard won freedom is restored."

A direct link between economic coöperation and the observance of human rights is not just a possible and plausible step for our government, it is its actual obligation under the terms of the Helsinki agreement. If we forget this, what point is all the sanctimonious talk we heard from Madrid and the language of Section 402 of the Trade Act of 1974?

The United States Senate should consider the Presidential recommendation to continue tha waiver applicable to the Hungarian People's Republic in this vein.

Attempts to change the yearly review of Hungarian compliance with the requirements of Section 402 of the Trade Act of 1974 to a multiyear waiver period must be resisted by the Senate. Such suggestions should not be considered until the Government in Hungary credibly demonstrates that it permanently revised its restrictive emigration laws and the arbitrary ways of their implementation resulting in a positive and humanitarian approach not only to family unification cases but to emigration in general.

Congress must demand assurances for timely and satisfactory resolution of the outstanding family unification cases, for humanitarian reconsideration of the request made by members of Congress for the identification and accessibility of the graves of those who were executed after the Hungarian Revolution of 1956 and for improvement of the general human rights conditions in Hungary, as reasonable concessions by the Government in Hungary in return for favorable consideration of the continuation of its MFN status.

I respectfully request that the annexes of my statement be made part of my testimony and included in the record.

Senator SYMMS. Mr. Hámos?

STATEMENT OF LÁSZLÓ HÁMOS, CHAIRMAN, COMMITTEE FOR HUMAN RIGHTS IN ROMANIA, NEW YORK, N.Y.

Mr. HÁMOS. Mr. Chairman, this is the seventh year in which I am appearing before the subcommittee as a witness at these hearings. It is the seventh year in which the Committee for Human Rights in Romania, the organization I represent, is submitting a detailed written statement documenting the Romanian Government's systematic efforts to denationalize and forcibly assimilate the 2½ million Hungarian and sizable other minority inhabitants of that country.

After all these years, Mr. Chairman, this event has taken on a certain air of familiarity for many of its regular participants. The same faces appear, the same issues are raised, the same violations are protested, the same arguments are made, the same naive expressions of good will are voiced toward the Ceausescu regime, and predictably the results for human rights are also the same: zero.

After some solemn pronouncements that this time will seriously be absolutely the last occasion on which Romania's MFN status is renewed without improvement in that government's dismal human rights record, we all go home, and the Romanian Government's view that it does not have to take the entire proceedings very seriously is again reinforced.

The reasons for this apparent institutional impotence are not difficult to discern: reluctance to take concrete action out of a misguided fear of the consequences; pity perhaps for a country and a people who are less fortunate than us; and a seeming ignorance as to the inner mechanisms of a Communist dictatorship.

In an earlier testimony I described a sense of the unreal which pervades these hearings. Let me cite just one example of this air of unreality.

Listening to the proceedings year in and year out, one senses a general presupposition that in dealing with the Romanian Government we are dealing with equals, in fact a mirror image of our own Government, a rational government represented by sensible gentlemen at every level. We submit, Mr. Chairman, that this assumption is wrong, and it may account for a great deal of the futility of our own Government's efforts to date.

Romania is not governed by a responsible political order but ruled in the style of a medieval Byzantine court. The officials who run the country are not reasonable gentlemen but party hacks, whose only means of advancement consist of ruthless backstabbing, bootlicking, and lying. In the tradition of Byzantine courts, Emperor Ceausescu fires and reshuffles entire sets of his courtiers at whim just to keep them insecure, to remind them who is supreme leader and who are the vassals, and to shift the blame for the newest set of economic disasters.

Faced with a Balkan despotism of this magnitude, Mr. Chairman, is it really surprising that our carefully worded, discreet, measures of concern over human rights have been completely ignored? After 7 years of not the slightest improvement in the condition of Romania's minorities, or even the most minimal show of good faith in that direction, is it not time to consider that the nuances of diplomatic discourse are totally lost on the Romanian leadership?

We submit, Mr. Chairman, that to use the leverage provided for in the Trade Act, to really do something for the millions suffering in Romania today, requires more than formalistic gestures and perfunctory expressions of concern.

Our group focuses on the condition of two and a half million Hungarians who live as second-class citizens and are labeled "barbarian intruders" in a land occupied by their ancestors for 10 centuries. In violation of all major international human rights documents, their children are allowed less and less opportunity to study in their native tongue. Their once flourishing cultural institutions are being systematically destroyed. They have no political representation or organizations of their own at any level of government, and they are systematically relocated out of their ethnic communities.

The human rights violations detailed in our written statement have been investigated and independently documented by several other international human rights organizations. The Washington-based International Human Rights Law Group, for example, has been monitoring the general human rights situation in Romania and has corroborated the existence of these antiminority activities by the Romanian Government.

In the past 7 years, Mr. Chairman, the lot of these minorities has not improved in the slightest. Without strong action it seems clear that the noble intentions underlying our existing human rights legislation will continue to produce no results.

It is therefore the considered opinion of our organization, Mr. Chairman, that the Romanian regime does not deserve any favors from the United States and that the revocation of its MFN status has been well earned.

Senator SYMMS. Thank you very much.

I appreciate all witnesses that testified this morning.

The committee is now in recess.

[Whereupon, at 12 noon, the subcommittee hearing was adjourned.]

[By direction of the chairman the following communications were made a part of the hearing record:]

STATEMENT
OF THE
AMERICAN-ROMANIAN ANTI-DEFAMATION LEAGUE
(Incorporated)

August 7, 1982 Cleveland, Ohio

Romania seeks again to be accorded MFN status and once again the whole evaluation process must be repeated. Regrettably a large amount of heat instead of light will be generated and again the primary issue will be obscured by the injection of tangential issues which include chauvinism and outright defamation. False accusations will be given equal exposure with pertinent facts and much time and effort will be wasted uselessly.

The key point is that it is important to the vital interests of the United States that MFN be renewed for Romania.

All other considerations are secondary, even the benefit to Romania. The other extraneous issues and disputes invoked at this time are detrimental to the self-interest of the United States because they undermine the relationship of the United States and Romania, without just cause.

For example, the merits or not of the claim of Hungary to Transylvania are not germane to the key issue and cannot be adjudicated at a Senate Committee hearing, not even in the august chambers of the U.S. Congress. The matter has been argued by Hungary for centuries even in spite of the fact that the issue has been resolved in favor of Romania for decades. But they won't let go. Now they see fit to attack Romania directly with false accusations of persecution of Hungarians in Transylvania. This is done again, to undermine the U.S.-Romania relationship, for the benefit of shadowy powers in the background who rejoice at the discomfiture os those who oppose them. It is no secret that Romania has pursued an independent foreign policy,but it is a fact which too many would like to forget or minimize. That policy was vigorously promulgated by President Ceausescu, in the tradition of Iorga and Titulescu, at great risk, and included the condemnation of the Soviet Union for its invasions of Czechoslovakia and Afghanistan. It included UN resolutions sponsored by Romania in favor of universal disarmament, abolition of nuclear weapons, and world peace. It included the proposal that both the Warsaw Pact and NATO be abolished. It included acting as intermediary for Nixon's trip to China, Sadat's historic visit to Jerusalem, and other highly significant contributions to world peace.

A simple personal visit to Romania by any observer would give the lie to the false claims of persecution that the Hungarian groups are hurling at a gallant nation. Although the subscribers are Americans (of Romanian descent) and do not share the ideology of the Communist regime of Romania or its leaders, the aforementioned contributions to peace cannot be ignored and indeed must be taken into account in evaluating Romania's performance record in all respects; whether in world trade, mutual trade with the United States; in human relations, Jewish emigration, the treatment of minorities in Transylvania, and other matters.

Anyone who travels to Romania to see for his or herself what the true situation is will discover, as did the subscribers herein, indisputably, that Hungarians in Transylvania or in Romania proper are not only not persecuted but enjoy special benefits that the average Romania does not get, that the regime bends over backwards to placate them. The list of such special treatment is long, including language privileges as to schools, universities, publications and the arts. A simple example will demonstrate the foregoing. It has been the invariable experience of those who would shop in a Hungarian shop in Transylvania to be ignored unless the customer spoke Hungarian instead of Romanian.

Any investigation by impartial observers will reveal that accusations of persecution are blatantly false. But having large numbers in the U.S. in comparison to Romanians, the voice is larger and more strident, and politicians are likely to listen to the bull-horn of chauvinism rather than to the quiet voice of reason and truth, when votes are in the balance. Nevertheless, the signors below are confident that the members of this committee will not fall victim to the purveyors of defamation and will look at the record with diligence and fairness.

The injection of the issue of Jewish emigration is specious and spurious, as anyone who knows the real facts would testify. Over 400,000 individual Jews have emigrated from Romania, a large portion going to Israel. Anyone who has visited Israel can testify to the very significant impact of Romanian culture on Israel, ranging from the ubiquitous barbeque "gratar" to the newspaper printed in Jerusalem for Jews of Romanian extraction. How many are left in Romania who want to emigrate? It is our belief that the regime is hard put to find Jews who want to leave, who are willing to trade their lot, however it be in Romania, for a society at war, with triple digit inflation, and where people often have three, not two, jobs in order to exist. The fact is that Jewish emigration from Romania is dropping off because the numbers aren't there anymore. Whoever says differently has an axe to grind instead of looking at the facts. Again, Romania does not have the propaganda machine nor the funds to publicize the facts. Actually our embassy in Romania does a pretty good job at keeping current. But these efforts should be implemented by a fact-finding commission to seek out and publish the truth, whatever it be, on an impartial, objective, and fair basis.

But who benefits if Romania is denied MFN? Certainly neither the U.S. nor Romania because mutual trade would be drastically and adversely affedted. Less export for the U.S. means even less jobs at precisely the wrong time. Likewise Romania would suffer in the consequent drain on its hard money supply. So what would benefit? The dissenting groups involved? Not likely if the regime is spurned with a good slap in the face such as would occur if MFN is rejected.

Does the administration of the U.S. seriously believe that hurting Romania will impede the military efforts of the Soviet Union, as has been recently stated by a spokesman for the White House? No, it will hurt Romania, but the Soviet Union will benefit as Romania is driven further into its arms and away from the U.S. The absurdity is that the administration is helping the Soviet economy immensely by the sale of wheat at a time for Soviet harvest shortfall and would deny MFN to Romania who seeks independence from the Soviet camp.

Romania has sought and seeks the friendship of the U.S. and all other nations regardless of ideology because it is a developing nation. It once was a rich nation but was so exploited and ravaged by a neighboring super power, in the name of war reparations, that its economy was reduced to the zero line, and has been gradually increasing only through herculean efforts and sacrifices by the people there. It is no wonder that she seeks MFN, in order to build up mutual trade, to increase her supply of hard currency so as to pay off her debts and prorgress within the limits imposed by circumstances and powerful neighbors. Romania needs peace in order to build. No wonder President Ceausescu travelled to the ends of the earth for peace. Once Romania was a bread-basket of Europe and now food is in short supply there, because a powerful and rapacious neighbor seeks to control all of its neighbors, large and small. Romania is a small, but gallant nation, and deserves better treatment than it is getting now.

MFN for Romania will not deter the Soviets in any way and the Soviet military problem had better be solved on a more effective plane than this.

It is conceivable that our indifference, indeed hostility, can cause untoward changes in our relationship and in the regime there. Former Congressman Charles Vanik (D., Ohio) who once presided over a similar committee in the other House once stated his fear that rejection of Romania could lead to another "Czechoslovakia." One can be certain that the maverick foreign policy of Romania has not endeared it to the Soviet leaders and generals who would welcome the excuse to "establish order" in Romania, as it did in Hungary and Czechoslovakia and now seeks to do so in Afghanistan. Yet, undercutting the present regime of Romania by rebuffs could lead to that scenario all too easily. The Soviet cycle of twelve years for invasions, 856, '68, and '80 can be revised at any time, and instantly at that.

This committee must be guided by mature principles of foreign policy, by enlightened self-interest, and by truth, in order to do what is best for the United States. We need friends and partners, not spurned friends. That which inveighs against our fundamental good must be rejected. That which is repugnant to truth and to our vital interests must be ignored.

Therefore, let us put aside the rancorous and discordant demands which are not pertinent to this particular issue. We urge you to look at the record, to seek more facts if need be, and to act accordingly, having in mind the paramount issues. We have sought to normalize relations. Why reverse ourselves now? We need jobs. Romania needs help. Now.

It is to our own best interests to renew MFN for Romania. Now.

Respectfully submitted,

Nicholas A. Bucur
President

Theodore Miclau
Vice-Pres.

Rev. Danila Pascu
Co Vice-Pres.

Theodor Miclau

The Coca-Cola Company
ATLANTA, GEORGIA

DONALD R. KEOUGH
PRESIDENT
AND
CHIEF OPERATING OFFICER

ADDRESS REPLY TO
P. O. DRAWER 1734
ATLANTA, GA. 30301
404 898-2121

July 20, 1982

The Honorable John Danforth
Chairman
Subcommittee on International Trade
Committee on Finance
337 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Danforth:

As you are considering the extension of the President's waiver authority under Section 402 of the 1974 Trade Act, I would like to express my support for continuing the Most Favored Nation Tariff Treatment for the People's Republic of China. I would further recommend that the President's waiver authority with respect to China be extended on a multi-year basis, rather than annual renewal. This would create a climate more conducive to expanding economic relations between our two countries.

The Coca-Cola Company has been selling Coca-Cola to China since 1979 and early in 1981 the first bottling plant was opened in Beijing. A second plant is presently under construction in Canton. The U.S.-China Trade agreement provides a necessary structure for the kind of expansion of trade with China that will serve to benefit not only my Company but the economic and political interests of the U.S. as well.

The U.S. enjoys an overall positive balance of trade with China of almost $2 billion, and it is continuing to increase. As China develops its oil resources, Sino-American relations will be enhanced by a continuation of a trade agreement that will enable U.S. companies to participate in this development.

China has met the requirements as specified in the regulations of the 1974 Act. It is my strong belief that the continuation of fair trade practices would be in our country's own best interests and contribute to the improvement of U.S.-China relations.

I appreciate your continuing efforts to monitor these trade agreements to insure that our country's best interests are served.

Sincerely,

Donald R. Keough

DRK:pm

August 10, 1982

Senate Finance Committee
Subcommittee on International Trade
2227 Dirksen Senate Office Building
Washington, D.C. 20510

Re: August 10, 1982 Hearing on
Most Favored Nation Status for Romania

Gentlemen:

My name is ROMULUS CRUCEANU. I am a permanent resident of the United States, and my address is 34 Hillside Avenue, New York, N.Y. 10040.

I am here to testify that Romania has not complied with the reuniification of families, which is viewed as a condition for continued extension of the MFN treatment. A clear example is the case of my wife, DANIELA CRUCEANU, who has continuously requested the permission of the Romanian authorities to join me in the United States for the past two years.

As a permanent resident of the U.S., I filed a petition for a visa on behalf of my wife, which was approved by the U.S. Immigration and Naturalization Service and forwarded to the U.S. Consulate in Bucharest, Romania. Thus, my wife has a direct entry visa to the U.S., but what can she do with it if the Romanian authorities will not let her leave Romania?

Recently, Mr. Dick Dingman, Executive Director of the Republican Study Committee in the House of Representatives, met with the Romanian Ambassador on my behalf. At that meeting the Ambassador promised specifically to make my wife's case a priority. One week after that meeting, my wife was told by the Romanian authorities that she would never be allowed to leave the country, that she should divorce me, and that she could hang herself and they wouldn't care.

My wife's case is but one example of Romania's continuous and flagarent disregard of its obligations under the Helsinki accord, and I think Romania does not meet the conditions for extension of its new MFN status.

Sincerely,

Romulus Cruceanu

RC:gc

Attachment: Translated copy of the letter sent to me by the Romanian Embassy, denying my wife permission to join me in the United States.

BERLITZ
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BERLITZ TRANSLATION SERVICE
A DIVISION OF
THE BERLITZ SCHOOLS
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NEW YORK, NEW YORK 10020
(212) 765-1000

EMBASSY OF THE
SOCIALIST REPUBLIC OF ROMANIA
WASHINGTON, D.C.

No. 2597

Dec. 21, 1981

Dear Mr. Romulus Cruceanu,

In regard to your communication, the competent Romanian authorities have not approved the request from your wife, Daniela Cruceanu, for final departure from the country.

The Consular Department
/signature/

/seal of
Romanian Embassy/

AMERICAN-TRANSYLVANIAN
ASSOCIATION

3708 Macomb Street, N.W.
Washington, D.C. 20016
966-3220

TESTIMONY BY:

Tamas A. de Kun

SUBMITTED TO:

Subcommittee on International Trade
of the

Senate Finance Committee

United States Senate

Good afternoon Mr. Chairman, ladies and gentlemen. It is a pleasure to be here. I would like to thank you for the opportunity to testify on behalf of the American-Transylvanian Association.

Whereas, Section 402 of the Trade Reform Act of 1975 established the dedication of the United States to the cause of fundamental human rights as the main purpose of the Trade Reform Act. Despite all this, the curtailment of fundamental human rights and cultural freedoms persists in the Socialist Republic of Romania resulting in devastating effects upon the national minorities.

As we read in the July 26, 1982 press release, the President's and Subcommittee on International Trade's main concern is the emigration performance of the Romanian Socialist Republic. May I ask the question: Why are we so concerned with the fate of a few thousand families who want to emigrate and why are we forgetting the fate of Europe's most numerous and most cultured minorities, the 2½ million Hungarians and 400,000 Saxons?

In hearings over the past years, on many occasions we presented the atrocities of the Socialist Republic of Romania toward her minorities and the undeniable facts are known worldwide. These conditions are known by the members of this Committee and we do not wish to waste time in a lengthy reiteration of the current continuance of genocide.

Briefly, the United Nations Ad Hoc Committee on Genocide accepted the following definition by which the crime of cultural genocide is being commited:

> Systematic destruction of historical or religious monuments or thier diversion to alien uses, destruction or dispersion of documents and objects of historical, artistic, or religious value and of objects used in religious worship.

Romania today is consistently committing these violations as excerpted from the U.N. document.

Additionally, we have received information from sources who have recently travelled in Transylvania. These sources are American citizens of Hungarian origin who went to visit their relatives. They have told us that electrical service is grossly curtailed and shut off without warning. They were unable to purchase food stamps during their stay, and their relatives were unable to feed them due to their inability to do the same. These American Hungarians also reported that single family Hungarian homes are being confiscated by the communist government, torn down and replaced with apartment buildings which are inhabited mostly be Romanians "imported" from the Regat*. It has also been reported that ordinary citizens are not allowed to travel by car from one county to another. Gasoline is also allotted by a rationing system of 4 gallons per car per month. It is a total outrage that such oppression is occurring in this modern world of ours.

As a reward for her independence from Moscow, Romania was granted "Most Favored Nation" status by Congress. That decision overlooked the fact that this independence was not established on respect for human liberty. In reality Romania today is the most blatant internal oppressor of all the Soviet satellites. Free emigration for a small percentage of these minorities will not cure the problem. More importantly, the 2½ million Hungarians and 400,000 Saxons want to live, work and prosper in their thousand year old homeland.

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*The region called "Regat" (kingdom) since 1866 is the union of Moldovia and Wallachia. With the approval of France and Germany in 1866, these two provinces were united and named the Kingdom of Romania.

The Romanian Socialist Republic is located approximately 4,000 miles from the United States bordered on one side by the Soviet Union and on three sides by her faithful satellites. Therefore, it is very difficult to assume that she is capable of implementing trade and foreign policies independent of Moscow. Their ulterior motive is to take advantage of our goodwill and play upon the sympathy of our nation.

In our testimony before this Committee on July 30, 1980, we submitted astronomical figures loaned by various financial institutions to the Romanian government. These loans are coming to maturity within the next year, and it is widely known that the Romanian government has defaulted on even their interest payments. According to U.S. News and World Reports' July 19, 1982 issue, (pg. 41), "Romania's net debt with the West has been estimated at 10 billion dollars as 1981 ended, with annual interest payments exceeding 1 billion." The Export-Import Bank approved a 120 million dollar loan in 1980, but it was never dispersed. On the other hand, the International Monetary Fund has recently allowed new drawings on a 1.2 billion dollar credit to bolster Romania's battle to get by. These loans are grossly misused by Ceausescu's government for not only the modernization and expansion of Romania's notoriously brutal secret police, but furthermore, for fraudulation of several hundred-year-old Hungarian artifacts. To further this point, ancient Hungarian tombstones have been exchanged with falsified Romanian names.

Considering that Romania in her hundred-year-old history has never upheld a defense treaty but very cleverly "turned coat" to serve only her own interests, it must be reemphasized that every American dollar which is appropriated to aid Communist countries, such as Romania, is not only wasteful but suicidal. Moreover, in the event of a political coup within Romania, Soviet occupation within 72 hours is inevitable. Consequently, our investments will become irretrievable.

Finally, we adamantly urge the Committee to investigate the State Department's favoratism of the Ceausescu government. Past findings of flagrant cultural genocide by Amnesty International have been flatly dismissed by the State Department's Office of Eastern European Affairs. Mr. Karoly Kiraly, a former high-ranking Romanian Communist Party functionary and an ethnic Hungarian, has published letters worldwide in leading newspapers regarding the systematic assimilation of the Transylvanian Hungarians by the Romanian communist government. These letters were also aired by Radio Free Europe which is supported by our government. As conscientious and patriotic Congressional representatives and citizens, we must examine how the renewal of the trade agreements would enhance the welfare and economic stability of our nation and fellow citizens.

Consequently, we request that the Committee revoke the extension of the "Most Favored Nation" status of Romania.

Thank you.

Finance Subcommittee on International Trade

Honorable John C. Danforth, Chairman

RE: HEARING ON CONTINUING THE PRESIDENT'S AUTHORITY TO WAIVE THE TRADE ACT FREEDOM OF EMIGRATION PROVISIONS

Testimony of Dr. Tom Berry
Board Member: Front Line Fellowship
Pastor: Baptist Bible Church of Elkton, MD
President: Elkton Christian Schools

SUMMARY

INTRODUCTION: Personal Involvement Throughout Romania

The opinions of some Senators to deny MFN because of repression of human rights.

I. ROMANIA POLICIES AND ACTIONS WHICH HAVE STIFLED RELIGIOUS FREEDOM IN THE PAST.

1. The Hindrance of Training Leadership
2. The Hindrance of Building and Enlarging Churches
3. The Hindrance of A Free Flow of Literature
4. The Harrassment of Those Who Have Convictions Against Having Their Religion "Licensed."

II. IMPROVEMENTS IN THE REALM OF RELIGIOUS LIBERTY IN RECENT YEARS.

1. More Freedom For Pastors To Travel
2. More Freedom For Churches To Conduct Public Services.
3. More Freedom For Foreign Preachers To Preach In The Romanian Churches.
4. The Increasing Sensitivity of the Romanian Government to Criticism in These Areas.

III. SOME POLITICAL DECISIONS HAVE BEEN MISINTERPRETED AS RELIGIOUS PERSECUTION.

CONCLUSION: The MFN should be renewed and these areas monitored regarding improvement or regression.

FINANCE SUBCOMMITTEE ON INTERNATIONAL TRADE

Honorable John C. Danforth, Chiarman

RE: HEARING ON CONTINUING THE PRESIDENT'S AUTHORITY TO WAIVE THE TRADE ACT FREEDOM OF EMIGRATION PROVISIONS

Testimony of Dr. Tom Berry
Board Member: Front Line Fellowship
Pastor: Baptist Bible Church of Elkton, MD
President: Elkton Christian Schools

It is my understanding that Romania's actions in regard to religious liberties is a factor affecting the attitudes of certain members of the Senate Appropriations Committee as it deliberates the decision of renewing Most Favored Nation Status to Romania.

I have visited Romania twice in the last two years and have travaled fairly extensively throughout the country preaching nightly to packed churches and conferring with Baptist leaders. I am also on the board of directors of "Frontline Fellowship, Inc." which ministers to Communist countries. The executive director of "Frontline Fellowship, Inc." Rev. Don Kyer, has visited Romania some twenty times.

With this background I feel I am fairly knowledgeable of the religious situation in Romania.

There have been serious abridgements of religious freedom in Romania in the past. The official governmental position of non-belief in God has provided an atmosphere that has emboldened various people in government positions to ridicule, intimidate, and sometimes physically harm believers of various religious beliefs.

To be candid, there are still times when policies and actions stifle genuine religious liberty:

1. The Hindrance Of Training Leadership. In thirty years Baptists have grown from a little over thirty thousand to nearly two hundred thousand. Yet, there are only 160 recognized pastors to minister to these members. Only ten young men

were allowed to enter the Baptist Seminary two years ago which averages out to five per year. Since seminary training is a pre-requisite for becoming a recognized pastor it is clearly impossible to produce the necessary recognized leadership under these conditions.

2. The Hindrance of Building and Enlarging Churches. It is difficult to secure permission to enlarge existing facilities when churches outgrow their buildings. It is almost impossible for a congregation to secure permission to build a new church building. The outstanding example of this is the Baptist Church in Resista. They have a building that was designed to seat around 250. They have a congregation of 1200. They pack nearly 1000 into this building with others looking in through windows and doors. This is true in the burning heat of summer and the sub-freezing cold of winter. They have spent nearly $50,000.00 on purchasing land, paying architectural fees; securing various national and local government permits, etc. and yet, nearly 20 years later they are still being held up by not having final approval on their architectural plans.

3. The Hindrance of a Free Flow of Literature. It is my understanding that Romania approved the printing of some Bibles. Yet, neither Rev. Don Kyer nor myself have ever seen one of the Bibles in the hands of a Romanian Christian. I have no doubt that some Christians received these Bibles but the number allowed to be printed is insignificant when compared to the need. Some Romanian Christians have been heavily fined and sentenced to prison for distributing Bibles. It is true that the Romanian law they were guilty of breaking had to

do with distributing literature without a license. I question that a Romanian could be found who feels optimistic that he could secure such a license to distribute Bibles. Consequently, the practice of distributing Bibles brought in from outside the country continues to be carried on clandestinely.

4. The Harrassment of Those Who Have Convictions Against Having Their Religion Licensed. There are fourteen "cults" licensed by Romania to practice their religion. Church buildings within the cults must have a "license" to exist. Pastors must be licensed by their cult according to state approved requirements in order to be recognized pastors. Those Christians and pastors who have convictions against having their religion thus licensed find it very difficult to function.

There has been improvement in the realm of religious liberty in the last several years. Romanian leaders have come to realize that it is conducive to a more wholesome atmosphere internally and also externally in the community of nations to allow more freedom in the realm of religion:

1. Pastors are allowed much more freedom to travel. This allows them to minister to many believers who do not have recognized pastors. It also has proved to provide great encouragement to the official churches.
2. Churches are allowed more freedom in conducting services. I do not think there has been an official relaxing of restrictions on public meetings but it is a fact that churches are enjoying much freedom in conducting non-scheduled services. It is common practice to call church members together impromptu to hear speakers visiting from outside the country. I am not aware of any effort to suppress this by the authorities.

3. Preachers from abroad enjoy great liberty in preaching to Romanian Christians. As long as preachers from abroad limit themselves to speak on spiritual and moral matters they are virtually unrestricted in regard to where they go and to the churches where they speak. It is true that the government will step in and intervene and sometimes expel a visiting minister if it is judged the speaker is causing adverse political repercussions.
4. The Romanian government has become more sensitive to criticism. Although there is room for improvement there is evidence that there are channels that can bring about a positive response from Romanian Officials. I am personally aware that permission has been granted churches to build; imprisoned Bible distributors have been granted amnesty and non-recognized pastors have been allowed to carry on a ministry as a result of protests filed from leaders here in the United States. On June 18th of this year, Rev. Don Kyer and I spent one hour and a half with the Romanian Ambassador. He assured us that when we have a problem in the future that representatives of his government will be happy to establish a dialogue to work out the problem.

Finally, I think there are some actions on the part of the Romanian government that we might classify persecution which is more properly caused by their priorities. For instance, the socialist government proclaims its chief priority is to give all citizens equality. In a city where there might be thousands of couples clamoring for an apartment they might well feel that granting steel, block and other building materials for a church would be unexplainable to these couples. They might consequently defer granting the church permission to build. We might label this religious persecution. They might well think of it in terms of good politics.

My recommendation from the area of the religious situation is to grant a provisional approval of the MFN to Romania. Since there have been some areas of improvement and the indication is that there is a willingness to hear complaints and sometimes correct abuses I think that the possibility of further improvement is plausable. Since many Americans are traveling constantly throughout Romania there are channels by which the religious situation can be monitored. If there is continued improvement then this problem of religious freedom can be deleted from consideration in the future. If there is regression in this area then the problem of religious freedoms might well be a priority consideration with regard to granting MFN one year hence.

Sincerely,

Tom Berry

Tom Berry, D. D.

TB:jb

RRNA
CONSULTING ECONOMISTS

WRITTEN STATEMENT OF JOHN C. BEYER
CONSULTANT TO CHILEWICH CORPORATION
120 WALL STREET, NEW YORK, NEW YORK

RE: MOST-FAVORED-NATION-HEARING

AUGUST 10, 1982

SENATE COMMITTEE ON FINANCE
SUBCOMMITTEE ON INTERNATIONAL TRADE

My name is John C. Beyer. I am an economic consultant and President of Robert R. Nathan Associates, Inc. My firm has represented the Chilewich Corporation in Washington for over 20 years. We have testified many times on behalf of the Chilewich Corporation of New York in favor of continuing Most-Favored-Nation (MFN) status for Romania, and are pleased for this opportunity to testify again in support of MFN status for Romania.

The Chilewich Corporation exports cattle hides, the raw material for leather. In 1981, the U.S. exported over 680,000 hides to Romania valued at approximately $22 million. Although the U.S. hide exports to Romania declined from 1980 figures, these exports nonetheless represent almost 5 percent of the overall U.S. exports of cattle hides. Furthermore, we estimate that approximately 600,00 hides valued at over $18 million were exported to Romania already in the first

Robert R. Nathan Associates, Inc. 1301 Pennsylvania Avenue, N.W., Washington, D.C. 20004 (202) 393-2700
Telex: 248482 Cable: NATECON TWX: 710-822-1995

six months of this year. On an annualized basis, cattlehide exports to Romania are running considerably above last year's exports. These exports constitute a significant contribution to the American cattle and beef industries by providing an outlet for a byproduct generated in excess of domestic demand. These additional revenues are important to American agriculture and to supporting industries.

In this past year, 1981, Romania has suffered from serious foreign exchange problems; its total foreign trade has declined, thus reflecting the turndown in the Romanian economy and in the economies of Romania's export markets. U.S. exports to Romania in 1980 amounted to $720 million, and in 1981, $504 million, due mainly to a decline in exports of U.S. agricultural products. In contrast to a recently gloomy picture of Romanian foreign trade, total U.S.-Romanian trade had grown from $322 million in 1975 to more than $1 billion in 1981. As of the end of 1981, Romania was the United States' second largest export market in Eastern Europe after Poland.

The prominence of Romania in the U.S. Eastern European trading market was spurred by the signing of a U.S.-Romanian trade agreement in 1975, which accorded Most-Favored-Nation tariff treatment to Romania and facilitated commercial exchanges. Although there has been a series of other economic agreements and protocols with Romania over the past decade, MFN status for Romania has been a critical ingredient in the U.S.-Romania trade picture.

It would certainly be in the best interests of the United States to maintain an open and mutually beneficial commercial relationship with Romania. The Romanian government has recently targeted national priorities for the next decade. Coal is one of the targeted areas, and the U.S. is in a strong market position to increase its sales to Romania. Continued export trade with Romania in areas such as grains, feeds, coal, chemicals, hides, and manufactured items such as tires and automated office machines translates into increased production for the U.S. and more jobs for Americans.

We support the development of Romania as a strong and independent trading partner. American business in general, and the business of the Chilewich Corporation specifically, has benefited substantially since the important decision was taken in 1975 toward bringing Romania more fully into the world trading community. U.S. business stands to continue to benefit if MFN status for Romania is extended.

Many countries in the world, not just Eastern European nations, have suffered economic reverses due in large part to increasing energy costs. Given this pervasive problem, in an increasingly interdependent world, we must be ever more careful not to cut back on our trading ties. Rather, we should expand and otherwise strengthen them. U.S. trade with Romania augments political interests between our two countries and provides encouragement to Romania in strengthening and, importantly, broadening its international trading position.

I therefore urge, Mr. Chairman, on behalf of the Chilewich Corporation and myself, that you and your Committee approve President Reagan's recommendation to extend Most-Favored-Nation treatment to Romania. I firmly believe this position is in our nation's best interests.

Thank you.

THOMAS CURTEAN
Commodity Futures Trader - Broker

Phone
312-648-0347
312-648-0496

444 West Jackson Boulevard
Room 471
Chicago, Illinois 60606

MEMBER
Chicago Board of Trade
Chicago Mercantile Exchange
International Monetary Market

July 26, 1982

trade

The Honorable Bob Dole
Chairman, Finance Committee
United States Senate
2213 - Dirksen Senate Office Building
Washington, D.C. 20510

R[illegible] Continuation of Most-Favored-Nation Tariff Status for Romania.

Dear Chairman Dole:

During the next few weeks, when you will consider the presidential recommendation transmitted to the Congress of the United States on June 2, 1982, for a further extention of the authority to wave subsections (a) and (b) of the Section 402 of the Trade Act of 1974, applicable to the Socialist Republic of Romania, I respectfully urge you to view it favorably and supportively, approving the presidential recommendation to further extend and renew the nondiscriminatory Most-Favored-Nation (M.F.N.) trading status for Romania.

This approval and renewal will substantially promote the objectives of Section 402 of the Trade Act and will be economically constructive to our own country as well as Romania and at the same time, mutually beneficial.

Most importantly, this approval and renewal of the M.F.N. trading status for Romania will be politically very important and beneficial to the United States by continuing to have Romania as a good reliable friend in Eastern Europe.

Romania, on so many occasions, took a similar attitude consistent with our foreign policy goals in that region and in the world, bravely opposing the ambitious expansionism of the aggressive Soviet Union, in total defiance of the great inherent risks, unfavorable repercussions and many costly sacrifices to herself and her people.

Ever since the withdrawal of the Soviet troops from Romania in 1958, this proud nation displayed and increased independence of the Soviet Union and the Warsaw Pact Nations, by following foreign policies significantly divergent from them. From that time on, Romania continually and increasingly asserted her national sovereignity, struggling to maintain her political and economic independence from Moscow, in extremely unfriendly and very hostile surroundings.

While Romania aspired for continued national independence and economic expansion, she embarked on an ambitious program of rapid and diversified heavy industrialization, which necessitated many arduous efforts and much sacrifice. She directed her horizon to the West, concluding many alliances with Western Nations and negotiated many bilateral agreements with numerous governments of the West. Most importantly, she obtained the nondiscriminatory Most-Favored-Nation trading status from the United States on August 3, 1975.

Since then, the United States-Romanian commercial exchanges flourished. The total monetary value of the reciprocal turnover progressed significantly each year from a low of only $332 million in 1975 to a record of over one billion dollars, both in 1980 and 1981. The United States became the second most important trade partner for Romania in the West, being surpassed only by West Germany.

The unforeseeable abnormal global economic and political events in the last few years produced many unstabilizing negative repercussions in the Romanian economy, as they also did in the rest of the world's economies, creating current economic and financial hardships, of a short-term nature, for Romania. Large short-term borrowings at exorbitant interest rates, costly oil imports for Romania's petrochemical industry and low margins of profit from its derivative products, the heavy rains and large scale inundations of a few years back which destroyed agricultural production, the not too distant disastrous earthquake that struck Romania with devastating vengeance, plus the past two years of calamitous weather conditions that destroyed the harvesting of a normal agricultural production, are but a few causes contributing to the current economic and financial difficulties in which Romania involuntarily finds herself today.

Presently, Romania's nessity for outside understanding is indeed timely and friendly assistance and generous support is very highly needed and sincerely appreciated. Perhaps the proverb: "A friend in need is a friend indeed" never held more truth for the people of Romania as it does right now.

To deny Romania the Most-Favored-Nation status at this critical and crucial economic and political juncture would serve no constructive purpose, nor logical objective, neither to the United States nor Romania. A denial would only serve and benefit the deadly enemies of that proud country and its courageous people, serving only to destroy rather than construct peace and stability in that region. It would yield a devastating moral and economic blow to the people of Romania, destroying the strength of their national pride and the spirit of national independence from the oppressive and very hated grip of the anew possible subjugation to and domination by the Soviet Union.

In so far as our differences of whatever nature are concerned, we can possibly conduct intensive mutually beneficial dialogues, negotiating with gives and takes, from both parts, as they are not of an unsolvable nature, and no problem remains indefinitely without an agreeable solution.

For these reasons and in view of the fact that the original granting of the nondiscriminatory Most-Favored-Nation trading status to Romania has had many mutual benefits to both countries over the seven years time span, I respectfully urge you to help the people of Romania in their economic struggle and political assertiveness of independence and not to turn them down, forcing them into economic and political necessity of submissiveness to the Soviet Union's oppressive subjugation and exploitation.

You have the power, the influence and the jurisdiction to act affirmatively on this very important issue and by so doing to strengthen our political and economic influence in Romania and in that East European region. Thus you can prevent the Soviet's possible total domination in the area, promoting and fostering a continuing atmosphere of sovereign independence for Romania from Moscow and maintaining conditions for peace and stability in that East European region.

By granting again, this year, a further extention and renewal of the Most-Favored-Nation tariff status for Romania, we will continue to demonstrate convincingly that we remain constant and consistent, helping our friends with our support and assistance in times of need, so that their spirit of political and economic independence remains alive and burning, continuing to aspire for total freedom of fear from the threat of Kremlin's oppression, domination and exploitation.

Finally, I would like to take this opportunity to thank you sincerely for your consideration in viewing this matter in the positive light and once again to respectfully urge you to give this issue your favorable supportive and affirmative consideration.

Yours very respectfully,

Thomas Curtean

Thomas Curtean

TC/nc

D. POPESCU-FALTICENI, M.D., Ph.D.
18 Bonnieview Drive
East Granby, Conn., 06026

August 1, 1982

WRITTEN STATEMENT FOR THE RECORD OF THE PRINTED HEARINGS
BEFORE SUBCOMMITTEE OF THE INTERNATIONAL TRADE,
COMMITTEE OF FINANCE,
U.S. SENATE, WASHINGTON, D.C. 20510

HONORABLE MR. CHAIRMAN,
HONORABLE CONGRESSMEN:

I am Dumitru Popescu-Falticeni, born in Romania, Surgeon and Assoc. Professor, arrived in the U.S. on July 11, 1978, as a political refugee from Romania. The majority of my family is presently living with me in Hartford, Conn. My only brother POPESCU PAUL ADRIAN, born on June 24, 1942, Civil Engineer, and his wife POPESCU VIORICA, residing in Bucharest, Romania, 46 Vasile Stroescu Street, have filed an application for exit visa on December 18, 1981, being eligible for entry into the U.S. Their application was repeatedly denied, last time on June 8, 1982, and moral persecutions were started, in spite of the fact that his mother and brother are living in the U.S. His permanent harassment, psychological pressure and threatenings are the results of our presence here and his wish to join in freedom our forced separated family. Our mother, living with me, 78 years old and terminally sick, is KEPT ALIVE ONLY BY DISPERATELY HOPE THAT SHE WILL SEE AGAIN HER SON, NOW RETAINED AGAINST HIS WILL IN ROMANIA.

Freedom of emigration is viewed by the U.S. President as a condition for continued extension of the M.F.N. status to Romania. The incredible obstacles arised by the Romanian Authorities against my family's reunification are once more a proof of the Romanian disrespect for its international accepted obligations.

On behalf of my brother's right to free emigration, I joined "The thirteen romanian strike for forced separated families reunion in the U.S." started in New York on May 21, 1982 and continued in Washington, D.C., since May 24, 1982 and, I testified at the oral hearings from the House of Representatives on July 12, 1982.

In the name of the Humanity, I appeal to the U.S. Congress to extend the M.F.N. status to Romania only if the Romanian Authorities will promote the objectives of the signed Trade Act's emigration requirements, by granting the exit visa requests to our separated relatives.

Sincerely yours,

D. Popescu-Falticeni, M.D., Ph.D.

COMMITTEE OF TRANSYLVANIA, INC. (ERDÉLYI BIZOTTSÁG.) Founded 1956

LOUIS L. LÖTE, PRESIDENT
216 Yarmouth Rd.
Rochester, N.Y. 14610

Central Office:
2808 East 124th Street
Cleveland, Ohio 44120

STATEMENT

OF

LOUIS L. LOTE

PRESIDENT, COMMITTEE OF TRANSYLVANIA, INC.

Prepared for the

SUBCOMMITTEE ON INTERNATIONAL TRADE

OF THE
COMMITTEE ON FINANCE

UNITED STATES SENATE

SUBJECT:

MOST-FAVORED-NATION TARIFF STATUS
FOR RUMANIA

AUGUST 10, 1982

COMMITTEE OF TRANSYLVANIA, INC. (ERDÉLYI BIZOTTSÁG.) Founded 1956

LOUIS L. LŐTE, PRESIDENT
216 Yarmouth Rd.
Rochester, N.Y. 14610

Central Office:
2808 East 124th Street
Cleveland, Ohio 44120

Mr. Chairman:

I am thankful for the opportunity to again present the views of the Committee of Transylvania, Inc. on the extension of the most-favored-nation tariff status for Rumania for another year.

Our group was formed in 1955 in Cleveland, membership now extends to 26 states of our country and some 15 states of Europe, North,-and South America and Australia. Our main purpose is to engage in research and the compilation, publication and dissemination of documentary material, opinions and views in regard to the cultural, ethnographic and historical background of Transylvania as well as to protect by all legal means the national minorities, focusing on Hungarians, of Transylvania and other parts of Rumania from encroachment, inequities, injustices, violations of their human and national rights, systematic denationalization by the government of the Socialist Republic of Rumania.

In the past years we have not taken strong position against extension of the most-favored-nation status of Rumania, partly on account of our administration's view which has attributed a strong sense of importance to our good relations with Rumania. Partly because we attempted to persuade the distinguished members of the Subcommittee on International Trade in our testimonies that the deplorable human rights record of the Rumanian government and its suppressive policies against national minorities and prospective emigrants would warrant strong action by our government. We hoped that our reasoning in this matter will be received by a certain degree of understanding on the part of the Subcommittee and based on that understanding at least modest steps will be undertaken to remedy the wrong doings of the Rumanian government against the people of the country.

We were wrong in our expectations. We know of no instance where the plight of the 2.5 million Hungarians in Rumania would have been considered even as a marginal factor in deciding the future of Rumania's most-favored-nation status. We hope it will happen this year.

Under these circumstances we feel obliged - faithfully to our above quoted purposes - to oppose the most-favored-nation status to Rumania for another year and we are going to oppose it until improvements in the treatment of Hungarians by the Rumanian government will occur.

Our reasons are as follows:

1/ Rumania's dismal human rights record with regard to Rumanians, Hungarians and other national minorities, and prospective Jewish emigrants,

2/ the systematic denationalization process against the indigenous Hungarian population amounting to the crime of cultural genocide,

3/ the economic failure of the country caused by the inapt but rigidly centralized economic leadership of President Ceausescu personally and his family.

None of these reasons need, in 1982, much explanation. Rumania's overall violations are presented in the "Country reports on Human rights for 1981" and in numerous press reports. The country's economic problems, while they started to trickle in first from visitors to and from Rumania, are now subject of repeated reports in the American and European press. Denationalization of Hungarians had been reported to Members of Congress and the Administration by Transylvania and human rights oriented organizations for a number of years. Only in the printed reports of the Subcommittee there are some 500 pages, in the last 4 years, describing in detail oppression of Hungarians in Rumania.

Nevertheless we list here some from an official government document just for reminder:

"The (Rumanian) government exercises strict control over civil and political rights and economic decision making. (It) maintains a restrictive emigration policy and has strict limitation on political expression and religious activities. Police brutality is reported, and prisoners are sometimes beaten, verbally threatened and are subject of strong psychological pressures. Conditions of confinement are poor. Former prisoners report overcrowded, unsanitary conditions of imprisonment, poor and inadequate diet, long working hours and minimal medical care. Prisoners occasionally and at times are kept in relative or complete isolation and at times are refused access to their families for as much as six months at a time. Reports of the confinement of prisoners and dissidents in psychiatric hospitals because of their political and religious views persist,.."

"Police harassment is a common feature of everyday life for those who are politically active beyond the limits set by the Communist Party, or who actively proselytize for their church. Romanian law does not provide for habeas corpus, and no effective legal remedy exists for persons held without charge. Emergency trials may be used to try and sentence a defendant in less than 48 hours. There are reports of forced entry (in homes) without a warrant in cases involving political and religious dissidents. Freedom of speech, the press and assembly is sharply limited;no one,according to the constitution, may use these freedoms "for aims hostile to the socialist system". No independent criticism or discussion of changes in basic party policies or of high political personalitites is permitted. All publications are government controlled and Western publications are not generally available. Unauthorized importation or distribution of religious literature has resulted in fines and prison terms. Adherents to religions other than the 14 officially recognized denominations are not permitted to practice their faith in public. Church buildings built or repaired without government permission have been closed or on occasion torn down."

"The government discourages unregulated contacts with foreigners,and requires such contacts to be reported to the authorities. Passport for foreign travel are difficult to obtain and relatively few Rumanians are allowed to travel abroad. The government attempts to discourage emigration through administrative, social and economic constraints, which can often impose a heavy burden upon individuals, including loss of job,demotions, reductions in salary, and other forms of discrimination during the lengthy period when an application to emigrate is pending. Opposition to the Party is prohibited. Power is centered at the top and especially in the person of the Secretary General, who is also President of the Republic".

"One of the few attempts to organize workers into independent unions, the Free Trade Union Movement of Romanian Workers (SLOMR), was begun in 1979 and resulted in the imprisonment or forced exile of SLOMR's leaders. The Romanian government does not fully cooperate with inquiries from international groups about political prisoners. Romanian markets have been plagued by severe shortages of food (including meat and dairy products) which have intensified because of poor harvests, poor distribution and inadequate storage and the increasing need to export food for hard currency. New measures to punish food hoarding, and a sysytem of rationing for some food items, including bread, were put into effect in the autumn of 1981. The quality of foodstuffs and clothing kept for domestic consumption is inferior to what is exported for hard currency to pay for imports necessary for Rumania's industry".

These quotations were taken from the "Country reports on Human Rights Practices for 1981" prepared by the Department of State and submitted to the Committee on Foreign Affairs, U.S. House of Representatives and the Committee on Foreign Relations, U.S.Senate.

The above statements clearly reveal the sad state of affairs in Rumania for both, human freedom and standard of living,although Rumania,which is not occupied by Soviet forces and in term of material resources is one of the richest country of Europe, could maintain a socialist system with much less regimentation and a succesful national economy. But we can see in Rumania's example where a pathological thurst for power, political shortsidedness and mismanagement of economy can lead and cause human sufferings for millions.

Hungarians and other nationals are, of course, co-sufferers of the excesses committed by the Ceausescu regime but on the top of all these they are exposed to a ruthless minority policy which endangers the future of their mothertongue, culture and their mere survival as a distinct nation.

The human rights report of the State Department touches upon the Hungarian grievances however sparingly and with significant omissions, yet somewhat better than in the previous year's report. Concerning national minorities the Report says the following:

"Limitations on the free exercise and expression by minorities of their cultural heritage exist. Government efforts to centralize and to economize by combining educational, social and cultural activities frequently affect minority groups disproportionately. For example the merger of schools,theaters or other activities results in the reduction of the unique qualities of one particular ethnic group or another. The requirement that all organizations be approved and regulated by the government practically precludes the establishment of private organizations dedicated to the preservation of ethnic cultural practices."

"Provision of government services for Romania's minority groups reflects the limitations referred to above. German and Hungarian radio broadcasts are carried several hours daily; television in these languages is limited respectively to two and three hours weekly. Minority language newspapers are readily available in Bucharest and areas where minority groups are concentrated, though fewer papers are permitted to publish than in previous decades. The importation of all publications, including those in the Hungarian and German languages, is strictly controlled. Bi-and tri-langual signs are un common even in areas where non-Romanian ethnic groups are in the majority, except for occasional street signs or those identifying schools, museums, churches and monuments. Schools for minority groups may be established although more minority group students are required to set up a minority language school than are required to establish a Romanian language school. School consolidations at the primary and secondary level, leading to the closing of many ethnic language schools, have been viewed by some critics as reflecting a policy of discrimination. The one solely Hungarian language university ceased to exist in that form when it was merged with a Romanian one in 1959."

Yet after all these clear restrictions of Hungarian language education, and limitations in ethnic cultural activities, as the Report puts it and I quote: "The government of Romania claims it does not discriminate against its minorities". Of course, it claims,as the classical defense in law-courts says: "I am not guilty." But can anybody in his right mind give credence to such an allegation? The fact that cultural,educational limitations exist in entire Transylvania, where the non-Rumanian population of the country is concentrated, is not enough indication that those limitations are carried out on a central command, or at least they follow the spirit of governmental guidelines to hamper education in mother language and nationalities' cultural activities? How can it be imagined that in a strictly regimented society, as the Rumanian, some local overlords do act on their own without orders? Even though no American official or human rights agent could put his hand on some government ordinance or "internal regulations" (dispozitii interne) concerning minorities, it seems to me that the culpability of the Rumanian government is beyond doubt. The more I am convinced of that because the Department of State had acknowledged it at least 18 years ago when in a report entitled "Situation of the Hungarian minority in Transylvania" the Department stated that the Rumanian government "has continued to pursue a systematic policy of romanising the Hungarians of Transylvania" by gradually reducing the number of cultural institutions for Hungarians in Transylvania, and by "assigning Hungarian intellectuals to posts outside of Transylvania".

As you can see our official perception of the involvement of the Rumanian government in the denationalization process of Transylvanian Hungarians in the last 15 years or so made a half circle climaxing in the 1980 Human Rights Report which states without any reservation and doubt that, and I quote "The Government of Romania does not discriminate against its minorities as a matter of policy". It is hoped that the other half of the circle will be completed much faster to state again, as it was in 1964, in the above referred report, that the romanization of the Hungarians of Transylvania is a systematic policy of the Rumanian government. Of course, we hope even stronger that the suppressive minority policy will be given up by Bucharest but it would be naive to believe that this happens without strong pressure by the U.S. government.

Until that time, however, the "Country Reports on Human Rights Practices" will remain a major source for any individual or organization which is interested and is not in the position to make his own research.

We received our most recent information just a few days ago. They are first hand reports by the peoples personally involved, in Transylvania.

A visitor from Western Europe managed to smuggle through the border into Transylvania 6 copies of Hungarian bibles and distributed them to three Hungarian Reformed (Calvinist) ministers. They accepted the Bibles with tears in their eyes and were wondering how the visitor had the courage to bring them through the border when this is strictly forbidden by the government, of course which, however, does not print and does not allow to print Hungarian Bible. (Names and address of visitors, the congregations and their localities are withheld to protect them from prosecution in Transylvania). If one recognizes that Bibles are forbidden in a land, Transylvania which had been the very first country in Europe to grant religious freedom more than 400 years ago during the period of independence and Hungarian leadership, he also realises how deep Transylvania is debased under Rumanian communist rule.[1]

A Calvinist minister who lived all his life in Transylvania reported the following about his and two neigboring villages. His village of 2800 population, all Hungarian and Calvinist,has a 10 grade Hungarian school because no Rumanian lives there. A neigboring community with 1900 population, out of which there are 500 Rumanians, the teaching in the 10 grades school goes mostly in Rumanian; in another village nearby with 900 population there is a 4 grades Hungarian and Rumanian language school for the 620 Hungarians and 280 Rumanians, but if they do not have at least 15 pupils for a Hungarian class, the government does not provide a Hungarian teacher. On the other hand if there is even one Rumanian child, they give a Rumanian teacher.

The minister further states that in his purely Hungarian village the administration is filled with Rumanian employees; if there is a Hungarian, he is in a very low position,and must be a good communist. Local ordinances are issued only in Rumanian language and in offices only Rumanian may be spoken also by Hungarians. Street signs in all the three villages are solely in Rumanian. Religious education is permitted by the government only in the church and in the minister's home strictly from Saturday afternoon to Sunday afternoon. Even in this limited time authorities do their best to take the children away from religious classes by hiking, youth meetings, movies. The government limits admittance of theological students for future Calvinist clergymen to 20 a year while the replacement of retired pastors would require 80. On the job market if for a vacancy 9 Hungarians and one Rumanian report, the Rumanian will be employed.

In summarizing the overall situation the minister emphasizes that the "rumanianization is proceeding in entire Transylvania, in every aspect of life with unimaginable proportions". (The name of the minister,now in the U.S. and the localities are withheld.)

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[1] Our informant visited some other churches, including Hungarian Baptists. People begged him to bring in more bibles which they miss so much and cannot expect from the Hungarian communist regime either.Thus some international organization, such as the Reformed World Federation would be competent could look into this matter and help.

In conclusion I would like to call the attention on some special aspects of the Transylvanian problem and present some suggestions how to deal with it:

1/ Transylvania is a special part of Rumania as it had been of Hungary. While Moldavia and Wallachia are overwhelmingly populated by Rumanians and the remnants of other ethnic groups moving through and partly settled at the time of the Great Migration, including Patzinaks, Cumans and "Csango" Hungarians, Transylvania had been and still is the home of three distinct nations, Hungarians, Rumanians and Germans. The distribution of the 7 million Transylvanian (latest census figure) is an estimated 2.5 million Hungarians, 3.8 million Rumanians, ½ million Germans and some 200 thousand Serbs, Ruthens, Ukrainians, Bulgars, Turks, Gypsies and Jews.

Hungarians and Germans have made Transylvania by their cultural and religious background historically the easternmost outpost of what we call "Western Culture", while Rumanians by their cultural and religious background represent the westernmost inroad of Eastern Europe and East-European cultural heritage. The penetration of the East into Central-Europe, that is historic Hungary which had adopted Western Christianity and Culture more than one thousand years ago, had been strengthened by the separation of Transylvania from her motherland Hungary 60 years ago, and acquired extreme power from the birth of Communist Rumania some 35 years ago.

Transylvania had been part of Hungary since the forming of that country 1086 years ago until the Trianon peace treaty in 1919 when the heretofore Hungarian land was given to Rumania as a reward for her changing sides during World War I. Transylvanian Germans were resettled by the Hungarian kings in the 12th century (Saxons), and by the Habsburgs in the 18th century (Swabians). The first documented evidence of Rumanian presence in Transylvania dates back to the 13th century. During the Turkish occupation of Hungary in the 16th and 17th centuries Transylvania became an independent Hungarian principality and became the guardian of Hungarian culture, education, and contributed immensely to the continuity of Hungarian statehodd and national survival. (Please, see enclosure, "Independent Transylvania")

The European cultural significance of Transylvania is excellently summarized by John Lukacs, an internationally known writer and historian in his article, "In Darkest Transylvania" published February 3, 1982 in The New Rebuclic", rightly subtitled "The beautiful and bitter end of Europe". We quote this section:

> "Transylvania is a beautiful region, a beautiful part of Europe. I write "part of Europe", because this is essential, the key to its history, to the very configuration of its landscape and of its shapes, of its colors and scents, and of the taxonomy of its flora and fauna, including the human fauna. Transylvania had its high Middle Ages, cathedrals,Cistercians, a whiff of the Renaissance, its Reformation, its Counter Reformation, its Baroque, its Enlightement - the historical ages that made Europe, entire historical ages that did not exist in Russia or in Rumania, Moldavia, Oltenia,Wallachia, Bessarabia, Bulgaria, Serbia, Macedonia, Albania, Thrace,Greece, the Ukraine."

2/ We estimate the Hungarian population of **Rumania** to about 12%. This is more than the Rumanian census figure but the latter cannot be trusted too much for accuracy and impartiality. Except the "csangos", Bucharest Hungarians and displaced Hungarian intellectuals and workers in old Rumania, the Hungarians as we said before,live in Transylvania. But taking the flat percentage rate at face value is misleading for the Hungarian presence in Rumania, becaume their rate in their original homeland (Transylvania) amount to about one-third of the total population, in some areas and in many communitites a 51-100 % majority.

Hungarians had had their three level complete school system before the Rumanians annexed Transylvania, and a vide variety of cultural institutions, museums, libraries and alike. These institutions became confiscated by the Rumanian government, nobody knows what happened with their treasures. Universities are merged with newly established Rumanian ones and this signals the death sentence for the institutions. Hungarian grammar and high schools or classes are being discontinued at an alarming rate.

The agonizing question in our mind is that what can be done to stop and reverse this life threatening trend. The answer is practically nothing if the United States government does not want to support this cause.

3/ Transylvania oriented organizations in our country and all over the world are grateful to the interest and good will of many Member of the U.S.Congress who repeatedly expressed concern for the Hungarians in Transylvania and or called the attention of the President and Secretary of State with regard to the self-determination of and cultural genocide against the Hungarians in Rumania. We acknowledged with great appreciation that the State Department held human right discussions with Rumanian athorities where the Hungarian problem was also a subject, and that the Department,we were told,is monitoring the Hungarian situation in Transylvania. Yet it happened that former President Carter praised the human right record of Rumania to President Ceausescu at his last visit here in 1978; former Secretary of State, Haig left the Hungarian question unmentioned at his talk with Ceausescu in Bucharest last February. Also President Reagan made no reference of the suppression of Hungarians in his letters to the Congress in 1981 and 1982 recommending that the waiver authority granted by the subsection 402 (c) of the Trade Act of 1974 be extended for another year.(But this latter might be the fault of the interested organizationsnot informing the White House in time.)

We are very much pleased that the question of Jewish emigration has ascended to become a major consideration in deciding the future of most-favored-nation status for Rumania. We would only like to emphasize that it would contribute greatly to a just governmental philosophy if violations of human and national rights, discrimination because of race,nation,.creed, language and culture in Rumania would enjoy a similar, by all means higher degree of consideration in relation wis-a-vis Rumania. The overwhelming majority of Hungarians and others in Rumania feels bound to its historical homeland and does not desire to leave the country.

If one recalls that the number of Hungarians who were compelled to live though in their ancestral homeland but yet in foreign countries, amidst foreign languages and cultures, notably in Rumania, Czechoslovakia, Yugoslavia and the Soviet Union by the order of the peace treaties concluding World War I and II, amount now to 4 millions, he must realize that any further denationalization in those countries will have catastrophal consequences for Hungarians as a nation the vitality of which works against overwhelming odds.

4/ We are aware that the problem of national minorities is a very complex one. It would be difficult, if not impossible to work out international regulations which are valid and appropriate in every cases. But historical past, size, cultural development and, above all, the desire to preserve one's national identity are some of the most important factors to be considered. In the case of 4 million Hungarians, of it 2.5 million in Rumania these factors are very much present. To help them in their passive resistance against cultural and national extinction cannot be seen as an unrelated far away cause by those powers who brought about these conditions in peace treaties, such as England, France and Italy in 1919, additonally the United States and the Soviet Union 1947. I do not think that the Soviet Union ever feels moral responsibility to anything except to further its power politics. As far as I know, provisions in the Paris peace treaty of 1947 for the protection of national minorities are as little as nil. But - with all humility I say - this country has some moral responsibility, as a signatory power to the peace treaty. I may add that to my opinion - this responsibility may easily be reconciled to our foreign political interest (as it is recognized by our government) because as it looks Communist Rumania is thought to be the friend of the United States and our relations are close to that country.

5/ My personal opinion is, and it is adopted by all the Transylvania oriented organizations, that a single one line law could mean a turning point in all national and cultural suppression in Rumania. That would be a law recognizing the Hungarian as a second official language in entire Transylvania. This law would relieve Hungarians from the educational, cultural and linguistic suppression, and, of course, therefore it would face the strongest refusal on the part of the Ceausescu regime. But bringing up it as a possible solution of creating cultural balance and harmony in Rumania is worth mentinoning it.

On a much smaller scale, but with more realistic hopes to achieve it, another one-line decree is a top priority for many Hungarian-American Transylvanian leaders. As you may know a Rumanian regulation forbids overnight stay of a foreign visitor in the homes of friends in relatives, except parents and children. Instead, the visitor has to go to a hotel to stay wether there is any in a reasonable distance or not. Almost any Hungarians in Hungary have relatives or friends in Transylvania. Most of them cannot afford a hotel or don't even find one close by, so Hungarians from Hungarians are cut off from each others not only by the borders but also by the Rumanian government's will. Violators are heavily fined or even imprisoned.

If in the next 12 months the hotel-decree could be rescinded hundreds-of-thousands would be benefited. I believe even the government of Rumania would end up on the plus side because the largest tourist traffic, the Hungarian could be revitalized to profit Rumania while the hotels now stay empty from Hungarian tourists because they do not come in large number to Transylvania.

6/ All these writings, however, seem to serve no useful purposes if nothing concret is coming out of them. I strongly believe that the Transylvanian Hungarian question should be subject of not only testimonies at a hearing but discussions between those who represent here in the United States the Transylvanian problem, became its experts, and between the competent governmental organs. This way both parties can mutually acquaint themselves with the grievances on one hand, and with the limitations our government feels on the other, and an eventual solution, or at least slow but steady improvements might be forthcoming.

7/ It is not without significance what our allies think of present day Rumania. The press of France, a traditional friend to Rumania, signals that the French love-affair with Rumania may soon come to an end.

"Le Point",the French weekly magazine sums up Rumania's international standing by stating that "the time has long passed when the system of Nicolaus Ceausescu enjoyed a favorable prejudice in the West on account of its alleged independence rom Moscow. The fact that the Rumanian head of state lets himself worshipped as an idol, the appaling terror in Rumania,and the ideological rigidity dispelled the last western illusion." (June 20,1982)

"Le Quotidien de Paris" (May 14 1982) writes that"inspite of stern measures,many arrests, imprisonment and ""disappearances"" the situation in Rumania does not improve. In Bucharest one can sense the mood indicating that the end of the Ceausescu regime is near."

But one does not have to learn the sad facts on Rumania from the French press. The American press is full with critical reviews of the situation in Rumania. Many members of the House of Representatives, and the majority of Senators have endorsed several memoranda in the last six months or so addressed to President Reagan or Rumanian president Ceausescu,blaming the Rumanian government for severe and continous violations of human rights in general, and cultural oppression of Hungarians in particular and for manipulation of emigration.

Mr. Chairman, in concluding my testimony I state my strong belief that the time is now to give a strong signal to the Rumanian government, the only one which that government seems to understand, namely the suspension of the most-favored-nation status for Rumania. From the fact that the new Rumanian ambassador has been busy these weeks lobbying for the extension of MFN clearly shows that they know that the time is here and now. Again thanking for the opportunity.

Sincerely

Louis L. Lote

Loui L. Lote

Enclosure

INDEPENDENT TRANSYLVANIA

Roughly the size of Portugal, or slightly larger than the State of Maine, Transylvania is situated on a high plateau in the eastern part of the Middle Danube or Carpathian Basin (See our map on the headband an on page). Bastionlike, the eastern and southern arches of the Carpathian Mountains (the latter is also known as Transylvanian Alps) provide a natural border and barrier to the northeast, east and south that separate Transylvania from the original Rumanian provinces of Wallachia and Moldavia. The western border, less of a natural barrier, is marked by wide valleys and hilly regions, gradually descending to the Great Hungarian Plain.

The rivers of Transylvania spring from the inner ranges of the Carpathians, converge on the Hungarian Plain (except one) and discharge into the Tisza, the second largest river of Hungary. The river valleys serve as natural path for the main roads and railways which connect Transylvania with the center of Hungary. Indeed, geographically Transylvania is an inseparable part of the Catpathian Basin which is identical to the territory of Historic Hungary.

When the Hungarians had resettled in the Carpathian Basin and formed a new country of Europe 1086 years ago (or according to more recent scientific findings much earlier), it was a geopolitical necessity to occupy the land up to the protective ranges of the Carpathian Mountains which surrounded the are to the north, east and south. They extended their control to Transylvania, too and started to populate the land — mostly in the valleys and plateaus. High mountains in Transylvania, and huge marshlands in the inside of Hungary had limited the area suitable to resettle and cultivate the land.

Due to powerful outside influences the political status of Transylvania has undergone some significant changes in the course of history, but culturally and in the national awareness the province has always remained a Hungarian land.

Officially and factually Transylvania was part of Hungary from the forming of thet country up until the middle of the 16th century when the Turkish occupation of the central part of the country separated the small unoccupied western territory from the eastern part which included Transylvania. While the narrow stripe of free Hungary on the west became inevitably dominated by the neighboring great power, the Austrian Empire Transylvania, surrounded on three sides by Turkish occupied lands, had to take care of her own survival and security by herself. Austria was not willing, nor able to protect far-away Transylvania from the Turks. Thus the province went independent; established her own government, National As-

(Continued on page 2)

INDEPENDENT TRANSYLVANIA

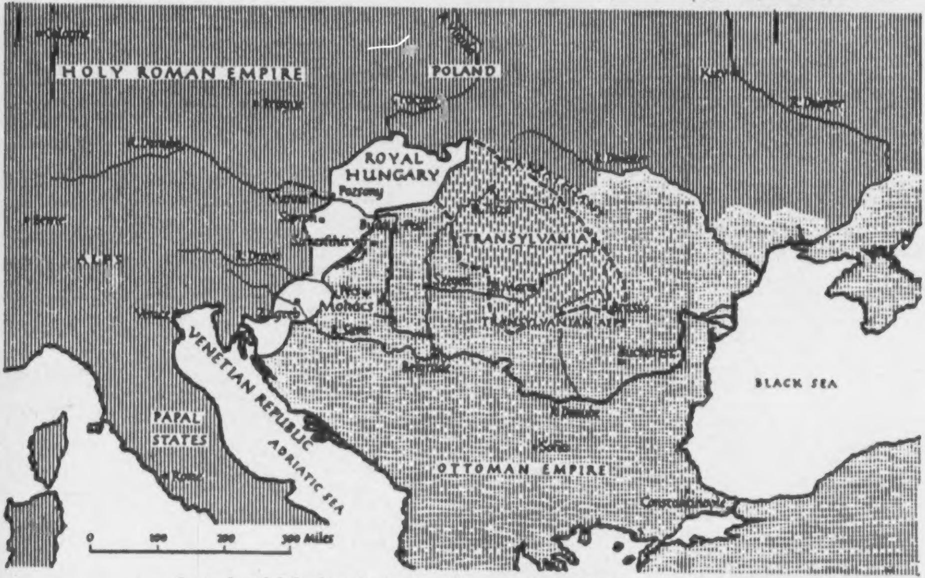
(Continued from page 1)

sembly and elected head of state, the "fejedelem" (translated as "prince"). The Principality of Transylvania was formed under the protectorate of the Turkish Sultan with mutual benefit for both, the Turks in enjoying the strategic advantage of not having to use their extended armies for the conquest, pacification and occupation of Transylvania, and for Transylvania in being spared the suffering of the constant warfare and having the freedom to peaceful development of the land. Peace and prosperity, peaceful coexistence of Hungarian, Saxon and Rumanian population characterized life in independent Transylvania disturbed only by occasional outburst of internal strife and devastating raids of the land by Turkish and Tatar hordes, and other times by marauding Austrian military.

The Princes of Transylvania have not considered the independence of Transylvania as a permanent arrangement; their desire for the reunification of the province with the mother country, Hungary has never faded and time to time it became a concrete political goal. For that purpose, not once, Transylvania waged war against Austria alone or in alliance with other European powers. Even so that often these wars ended in stalemate for both parties, the peace treaties brought positiv results for the Hungarian cause by obliging the Austrian emperors to respect the Hungarian constitution and the religious freedom for Protestants in Austrian dominated Hungary. Gabor (Gabriel) Bethlen, the greatest Transylvanian prince, was so succesful that for his victory over the Austrians he became elected as king of Hungary. Transylvania was obliged to pay tax to Turkey, but so was Austria, too. Yet the relation with Turkey was loose enough not only for having free hand for the princes in internal affairs but also to conduct reasonable freely foreign relations. With her alliances with Western European countries, Transylvania was regarded by them as a sovereign country. Indeed, Transylvania is a signatory power at the peace treaty of Westphalia in 16 concluding the 30 years European Religious War.

The 150 years of independence served other Hungarian purposes of vital importance. In these trying times Transylvania became the guardian of Hungarian culture, tradition, education, and contributed immensely to the continuity of Hungarian statehood and national survival in the period when the center part of Hungary fought a life and death struggle against the Turkish armed forces. Indeed, Transylvania, in her spirit, in her domestic and foreign policy, could have been named "Hungary" more justifiedly than the small, truncated and habsburg dominated western territory which was the official Hungary.

Transylvania has had a special place in the history of the Rumanian nation, too. However, because of the relatively late development of the Rumanian people into a more



Central and S.E. Europe showing Hungary during the Period of Division

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1 However, abstained from exercising this power.

homogenous nation, the independent era of Transylvania could possibly not have such a historic role for Rumania as she had for Hungary. Though the Rumanian population, numerically as a minority, was there, and increased swiftly by several waves of immigration from the neighboring Rumanian provinces, we can speak about modern Rumanian national awareness only since the 19th century. Perhaps the most significant role of Transylvania for Rumanians is the remarkable fact that the roots of the Rumanian intelligentsia developed rather in Transylvania than in the original Rumanian provinces of Moldavia and Wallachia. This is likely to be attributed to the influence of the much earlier existence of Hungarian (and Saxon) middle classes and their overall and outstanding cultural achievements.

Yet Rumanian historiography appears to be set out to change the history of Transylvania, and particularly that of independent Transylvania. Historical references to that Hungarian era of the province almost ignore the fact that the land was governed by Hungarian leaders who had not only administered the country, assured peace and domestic tranquility conductive to economic progress but also contributed a great deal to the growth of education and culture, including Rumanian culture. Rumanian historians tend to pass over 170 years of Transylvanian history and play up a short episode of 10 months when in 1599 Voivode Michael of Wallachia, aided by rebellious Székely armed groups and supported by Austria, defeated the Transylvanian government troups and proclaimed himself as the ruler of Transylvania. It seems that Rumanian historians try to misrepresent Transylvanian history by creating a crassly disproportionate imagery of the Rumanian role, while keeping silent on the real historical facts.

To set the record straight from these distortions, we list below the names of the rulers of independent Transylvania:

Hungarian Heads of State of Transylvania		**Non-Hungarian Heads of State of Transylvania**	
Isabella (King John Zápolya's widow of Polish origin)	1541-1551		
(Transylvania reunited to Hungary)	1551-1556		
Isabella (second time)	1556-1559		
John Sigismund of Zápolya	1559-1571		
Stephen Báthory (King of Poland after 1576)	1571-1581		
Christopher Báthory	1581-1586		
Sigismund Báthory	1586-1598		
Andrew Báthory	1598-1599		
		King Rudolph of Habsburg	1599-1903
		Voivode Michael (Rumanian)	1599-1600
Moses Székely	1603		
		King Rudolph of Habsburg	1603-1605
Stephen Bocskay	1505-1606		
Sigismund Rákóczi	1606-1608		
Gabriel Báthory	1608-1613		
Gabriel Bethlen	1613-1629		
Catherine of Brandenburg Gabor Bethlen's widow of German origin)	1629-1630		
Stephen Bethlen	1630		
George Rákóczi I	1630-1648		
George Rákóczi II	1648-1658		
Francis Rhédey	1658-1659		
Ákos Barcsay	1659-1660		
John Kemény	1660-1662		
Michael Apafy	1662-1690		
		King Leopold I of Habsburg	1690-1705
Francis Rákóczi II	1705-1711		

GÁBOR BETHLEN

(1580—1629)

BETHLEN, Gabriel or **BETHLEN VON IKTÁR**, Gabriel (1580-1629), Prince of Transylvania (1613-29) and King of Hungary (1620-21). A member of a prominent Protestant family of upper Hungary, he was noted for his military activities in behalf of the Protestant cause in the Thirty Years' War (q.v.). In 1619 he led a Protestant Hungarian army against the forces of the Roman Catholic Ferdinand II (q.v.), Holy Roman Emperor. Bethlen's success in penetrating to the gates of Vienna in the war led to his election as king of Hungary. As a result of his defeat at the Battle of the White Mountain, he was forced to relinquish the title in 1621. In 1623 and 1626 he again took up arms against Ferdinand. After 1626 Bethlen devoted himself exclusively to the internal affairs of Transylvania, which he made a center of Hungarian patriotism and culture.

(Funk and Wagnalls New Encyclopedia)

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The 400th anniversary of the birth of Gábor (Gabriel) Bethlen, Prince of Transylvania from 1613 to 1629, was celebrated in 1980 in Hungary and abroad, wherever Hungarians live. Bethlen was not only the greatest Transylvanian leader, but also one of the greatest Hungarian statesmen. He became the symbol of peace and friendship between Hungarian and other peoples.

His policy was characterized by national and religious tolerance in an age when throughout Europe the achievement of religious and linguistic unity was considered the alpha and omega of the raison d'etat.

As a young man Bethlen had taken part in Bocskai's (Prince of Transylvania from 1604 to 1606) war of independence; he had mediated between Bocskai and the Turkish Porte. In 1613 he became Prince of Transylvania with the ambitious program of achieving unity and peace for a divided

(Continued on page 4)

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2 As an example it should be noted that it was George Rákóczi I, Hungarian Prince of Transylvania who sponsored the first translation and publication of the Bible in Rumanian language.

UNIVERSITY OF KENTUCKY
LEXINGTON, KENTUCKY 40506-0034

COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF ECONOMICS
COMMERCE BUILDING

August 17, 1982

Mr. Robert E. Lighthizer, Chief Counsel
Committee on Finance, Room 2227
Dirksen Senate Office Building
Washington, D. C. 20510

Dear Mr. Lighthizer:

Since you were unable to accommodate my request to testify at the Committee's MFN hearings on Romania, you invited me to submit my views to you in writing. I am pleased to follow your suggestions.

Six weeks ago I returned from a five month's stay in Bucharest, Romania. I lectured there at the Academy of Economic Studies under the auspices of a Fulbright lecture grant. I have visited Romania for extended periods approximately ten times, am fluent in the language, and believe that I understand the customs, system, and living conditions there well. I live in Lexington, Kentucky, where I am a Professor of Economics at the University of Kentucky.

My submission of these views on MFN treatment for Romania is motivated by my desire to go on record supporting a continuation of MFN treatment for the country despite some reservations I have concerning the country's emigration policies and record. I support MFN treatment for Romania because to do otherwise would lead to a deterioration of already fragile international and economic relations which would be to no one's benefit. But my support of MFN continuation is tempered by my first-hand observations while in Romania. Citizens who have applied for a passport to emigrate are often dismissed from their jobs or demoted, subjected to endless bureaucratic delays and obstacles, and generally forced to endure unnecessary mental anguish. They become nonproductive and uninterested members of society, a drain on the country's scarce resources. It seems to me that once a person has made the certainly soul-wrenching decision to leave his homeland, little is gained by delaying his departure unnecessarily. Consequently, I would like to urge the members of the Committee to alert the Romanian authorities to the fact that the Committee is dissatisfied with the procedures currently in use regarding emigration procedures. I would also like to suggest to the Committee that a mechanism be put in place to monitor these procedures over the next year so that an ongoing record can be maintained of improvements in this area.

I admit that I have some reservations concerning the use of economic policy to effect noneconomic goals. There exist many examples which show that mixing economics with other social objectives can lead to confusing results. However, in this case, I feel that the human rights issues involved are sufficiently serious to outweigh my apprehensions. Therefore, I would like once again to urge the Committee to support MFN treatment for Romania, but to do so with an admonition to the government to improve its emigration procedures and to act with greater dispatch in approving emigration requests.

Sincerely,

Curtis E. Harvey
Professor of Economics

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SENATE COMMITTEE ON FINANCE
PUBLIC HEARING, AUGUST 10, 1982, ON A PRESIDENTIAL
RECOMMENDATION TO CONTINUE THE WAIVERS APPLICABLE
TO THE SOCIALIST REPUBLIC OF ROMANIA TO EXTEND THE
WAIVER AUTHORITY UNDER THE TRADE ACT OF 1974

STATEMENT

SUBMITTED BY DR.DENIS A. COOPER, PUBLIHSER, INTERNATIONAL LIBRARY - BOOK PUBLISHERS, 3865 WILSON BOULEVARD, ARLINGTON, VIRGINIA 22203

Mr.Chairman, Members of the Committee:

In lieu of a personal appearance, I am respectfully submitting the following

STATEMENT IN SUPPORT OF THE EXTENSION OF THE MOST FAVORED NATION TARIFF TREATMENT OF IMPORTS FROM THE SOCIALIST REPUBLIC OF ROMANIA

I am an American citizen of the Jewish faith who immigrated from Romania in 1939. As such, I have an abiding concern for the welfare of my coreligionists who dwell in Romania.

I grew up and was educated in Romania. I hold academic degrees from Romanian universities. I was a member of the Romanian Bar, and practiced law in Romania until 1939. I served in the pre-World War II Romanian Army.

While serving in the United States Army during World War II, I was assigned to duties involving broadcasting, in the Romanian language,from England, allied news beamed to Romania which then fought on Germany's side. After the armistice, and while still in American uniform, I served as United States Observer at the war crimes trial of Romania's war-time Head of State, Marshal Antonescu, and his cabinet.

Romania was at that time under Soviet military occupation. The United States maintained there a small military mission of which I was the only Romanian-speaking officer. My then sojourn in Romania enabled me widely to travel throuhout the country and to acquaint myself with post-war Romania. I gave close attention to the battered remnants of the Romanian Jewish community which had suffered enormous losses in lives and property under the Antonescu regime.

My subsequent departure from Romania, and return to the United States, and my release from active military service did not, however end my involvement with Romania.Suppression of freedom of religion, of the press and of human rights, in general, brought about by Romania's first post-war regime of Romania, caused the United States to appeal to the International Tribunal at the Hague.My first-hand knowledge of the then conditions in Romania, my familiarity with Romania's new legislative enactments, and my Romanian language proficiency brought me an invitation to join the legal staff of the Department of State which was preparing the United States case against Romania.

Although that case never came to trial, economic considerations compelled the Romanian Government to look to the United States for aid and, in the process, relented its oppression of its citizens.The new trend resulted in President Johnson's program of "building bridges" to the East, and in the dispatch of the first United States Trade Mission to Romania which I joined as its Deputy Director and only Romanian -speaking member. It was then that the Romanian Government voiced, for the first time, its aspiration to most-favored-nation status.

It was then also that I was apprized of the Romanian Jewish community's urgent need of outside financial assistance tomeet the most elementary requirements for its survival.By that time, old age, sickness, hunger and a trickle of clandestine emigration had further considerably reduced the Jewish community.

In Romania's desire to engender United States good will, her government was prepared to allow the American Joint Distribution Committee - a well known Jewish welfare organization - to provide the needed financial assistance to the Romanian Jewish community. There was some dispute regarding the rate at which dollars provided by the American Joint Jewish Distribution Committee would be exchanged into Romanian currency. I believe it was my intervention with the Romanian authorities which caused the Romanian Government to grant that Committee a higher than the then officially established currency exchange rate.

Ever since my return from the trade mission I maintained an active interest in Romanian domestic and foreign affairs. Thus, I know, as does this Committee, that the present Romanian Government accords religious and cultural liberty not only to the Romanian Jewish community but to all minorities in the country, and this includes Romanian citizens of Hungarian descent, even though certain groups of Hungarian descent in this country are denying this. Physical excesses against minorities in Romania, for many years a Romanian trademark, have been effectively brought to an end.

As regards Romanian emigration policy - a subject of special interest to this Committee - there is no denying that there are people who wish to emigrate in order to be united with their children or other relatives living abroad. To this they are entitled, and the Romanian Government has given to the United States Government repeated assurances that there will be no obstacles to emigration. These assurances, all hands agree, must be honored, and that this Committee is performing a necessary function in its yearly monitoring the fullfilment of these assurances.

Because I testified in the past in support of continuation of MFN status for Romania, I felt entitled, when apprized of the President's recently expressed concern over Romania's emigration policy, candidly and frankly to discuss this issue with Romanian Embassy representatives in Washington.

Although the existence of a deliberate government policy of emigration restriction is denied, I have been assured that the Romanian Government is willing to take effective steps to search for any obstacles which may, unbeknownst to top government officials, still exist, and to take equally effective measures to eliminate such. In fact, I have been invited to visit Romania to see for myself that the government is making all possible efforts to carry out a liberal emigration policy. Such being the case, it is my belief that extension of Romanian MFN status will encourage the Romanian Government vigorously to pursue that course in order not to jeopardize its credibility.

However, in addition to the foregoing, there are other considerations which militate in favor of Romania - considerations which relate to the international political climate in which MFN treatment of Romania is continued or denied.

Looking at Romania, we see a small country engaged in a great political experiment deserving of the most profound study by our government. That experiment will determine whether a small country, upon which geographical circumstances have forced a communist orientation, can successfully temper the excesses inherent in communist ideology and, notwithstanding threatening external forces, still maintain a modicum of freedom of political action and territorial integrity. Compared to Poland, it must be conceded that Romania's struggle to maintain some semblance of political independence and freedom from outside interference is successful to an extent. At home, Romania does not oppress its minorities, and all her citizens enjoy religious and cultural freedom. The contrary opinions of some Americans of Hungarian descent do not seem to be borne out by the available facts.

As regards Romania's foreign policy, her government pursues peaceful aims and maintains friendly relations with all who care to maintain such, a fact evidenced by her maintenance of diplomatic relations - the only country so doing among the Warsaw Pact nations. Romania is demonstratively a reluctant partner in that sinister enterprise known as the "Warsaw Pact" . Smong all Soviet allies, Romania is the only nation which has succeded in remaining free of Soviet troops, and declines to increase her war potential as demanded by her giant neighbor.

Thus, if the United States is to have a realistic foreign policy,the government must be attuned to the realities of the geographical areas in which it is to operate. Hence, it is all to obvious that Romania will be able to maintain its present stance only as long as its strong neighbor is convinced of America's continued determination to assist that country, politically and economically. Any sign that America is prepared to abandon Romania in any way or manner is, therefore, certain to be interpreted as a signal of relaxation of United States interest in that country. As a result, it will be compelled to alter its present course and,thus, sink to the level of a servile and unquestionably obedient vassal of its giant neighbor. Romania may thus suffer the fate of Poland. This, it is submitted, is also certain to have a chilling effect upon the smaller nations of the world, which may be expected to seek their salvation by means other than reliance on the United States. Consequently, there appears to be no better way to prevent this from happening than to extend Romania's MFN status.

Taken together, I believe that the above points constitute an impressive challenge to those who would make United States treatment of Romania in matter of MFN dependent solely upon emigration statistics although they are important. However our government has sufficient means other than discontinuance of MFN treatment to drive home the point that the American people have a right to expect, and do expect nations entering into agreements with the United States, and receiving benefits thereunder, scrupulously to abide by such agreements.

In conclusion, I respectfully urge this Committee to as well as the august Senate forably to consider the extension of Romania's present MFN status.

Respectfully submitted,

Denis A. Cooper

STATEMENT

on

ROMANIA'S MOST-FAVORED-NATION STATUS

before the

SUBCOMMITTEE ON INTERNATIONAL TRADE

of the

COMMITTEE ON FINANCE

of the

UNITED STATES SENATE

on behalf of

THE HUNGARIAN-AMERICAN COMMUNITY OF CONNECTICUT

and

THE HUMAN RIGHTS COMMISSION OF THE UNITED CHURCH OF CHRIST

and

THE HUMAN RIGHTS COMMISSION OF THE WORLD REFORMED PRESBYTERIAN ALLIANCE,
NORTH AMERICAN AND CARIBBEAN AREA

by

REV. DR. ALEXANDER HAVADTOY

August 10, 1982

My name is Rev. Dr. Alexander Havadtoy, pastor of the United Church of Christ, Fairfield, Connecticut. I appreciate this opportunity to present the views of the Hungarian-American Community of Connecticut. I am also representing the Human Rights Commission of the United Church of Christ (consisting of two million members), and the Human Rights Commission of the World Reformed Presbyterian Alliance, North American and Carribean Area (consisting of major denominations). As for my personal background, I was born in Transylvania, and I maintain extensive contacts with fellow Hungarians in that region. My presentation will concentrate on church matters.

The multinational region of Transylvania has a long heritage of religious freedom. It was in the Hungarian Principality of Transylvania, in 1557, that freedom of religion was written into law for the first time in history. Today, however, the Ceausescu Regime exercises a policy of total interference in ecclesiastical matters through its organ, the Ministry of Cults. One must keep in mind that religion in Rumania corresponds with nationality. The Rumanians are almost all Rumanian Orthodox; Hungarians are either Roman Catholic, Reformed, or Unitarian. Thus the persecution of a particular denomination (e.g. Reformed) is at once the oppression of a nationality (Hungarian).

The Reformed Church, with 800,000 registered members, has two bishoprics, but its functions are severely curtailed. The bishops are appointed by the Communist Regime and are totally subservient to its whims and wishes. No decisions can be made by church officials unless they are reviewed and approved by the Communist authorities. With the exception of Sunday worship services, no other church gatherings can be held without the approval of the Ministry of Cults, which in practice does not grant such approval. Congregations are denied their historical right to call their own ministers. The State, through the regional offices of the Ministry of Cults, has reserved the right to appoint them.

Due to the present oil crisis, which weighs heavily on the Rumanian economy, President Ceausescu has introduced a new rule concerning travel on Sunday by private transportation. In the future, travel by car will be permitted only on alternate Sundays depending on the odd and even registration of the cars. This hits very hard at ministers who have to travel great distances to minister to their congregations. Several pastors have requested the government to provide a special exemption for them, saying that they would be willing to surrender two other days of non-travel in exchange for being allowed to travel on Sundays. The Ceausescu Regime answered with a peremptory "No".

Religious education is restricted to six weeks of confirmation instruction during the winter months. These classes may be held only in church buildings which are mostly unheated. School authorities are instructed to cross-examine students attending confirmation classes about their religious beliefs. The children must account in regular school for their desire to be instructed in religion. These daily inquisitions are intended to discourage students from attending religious education. To reinforce this anti-religious attitude, schools are directed to organize compulsory activities to coincide with the confirmation instruction being held in the church building.

Bibles are confiscated by customs officials. It is impossible to buy a hymnbook in Rumania: they have been out of print for years. Publication of religious books and periodicals is extremely restricted. Theological literature sent from the West does not reach its destination. Church delegates visiting from abroad are not allowed to meet with their Hungarian colleagues freely. Pastors are forbidden to visit their parishioners in hospitals. All forms of religious youth work is strictly forbidden. Ministers caught convening the youth are promptly incarcerated and dismissed from their churches.

The most painful loss in the life of the churches is the confiscation of church archives, antique chalices, altar cloths, antique Persian rugs, etc. Persian rugs were used to cut down the echo in the sanctuaries. These measures are directed exclusively against Hungarian churches.

Act No. 63 of November 2nd, 1974, on the protection of the national cultural treasury, and Decree / Law 207-1972 are major tools used to eradicate the history of the Hungarian churches. Under the above laws, the government nationalized all documents, official and private correspondence, memoirs, manuscripts, maps, films, slides, photos, sound-recordings, imprints, seals and like material, over 30 years old, from the possession of religious and cultural institutions and private citizens. The pretext is the "protection" of these documents, but the real intent is obvious from the crude manner in which the regulations have been enforced. The material was, in many cases without receipt, loaded into trucks and carted away. The historical order of the archives has become completely disrupted in the process, rendering scientific research for the next decades impossible. Thus, the Rumanian government has openly embarked on an escalated campaign against the Hungarian churches and people. This has been a tremendous blow especially against the Reformed Church which has been preserving in its archives the tradition of its religious and linguistic individuality, dating back to the times of the Protestant Reformation.

The afore-mentioned outrages form part of a systematic effort to rewrite the history of the region in order to suppress the significance of the indigenous Hungarian culture. Another means for achieving the same objective is to "facelift" the tombs and crypts of famous Hungarian families in the ancient cemeteries by allotting them to recently dead Rumanians. In this way, the ethnic composition of the former population, now dead, is restructured favorably.

The Hungarian Protestant Theological Instisute of Cluj (Kolozsvár) came into being in 1949 as a result of the forced merger of the independent Reformed, Evangelical, and Unitarian Seminaries. Thus, the Protestant churches have been deprived not only of their historical traditions, but also of their traditional self-determination. The curriculum and the student body is carefully supervised by the Ministry of Cults. The most serious blow to the future of the church is a recent decision of the Ministry of Cults allowing the registration of only six out of 37 candidates for the first year calss of the 1982-83 Academic year. By cutting back the supply of future ministers, the Ceausescu Regime is paving the way for the complete eradication of the 800,000 member Reformed Church.

This spiritual oppression and cultural genocide are aggravated by the physical suffering of the people. Frequent visitors to Rumania have noticed that the population is getting visibly thinner and thinner every year. This is not the result of a massive diet program, but simply of a food scarcity. In spite of the fact that Rumania received $11 billion in loans from the West, the country is de facto bankrupt. The recent rescheduling of debts will not solve its financial problems and will push the population into even greater misery. In order to delay the final day of reckoning, the Ceausescu Regime will not hesitate to sell the last morsel of bread out of the people's mouths. The result of renewing Rumania's most-favored-nation status will be not only the continued brutal oppression of the religious life of the Hungarian churches, but also the physical ruin of the entire population. What Rumania needs is not foreign loans for its industrialization program, not exports, but simply food for its people. The United States can best help this unfortunate country by denying it most-favored-nation status immediately.

July 12, 1982

STATEMENT OF
THE INTERNATIONAL HUMAN RIGHTS LAW GROUP
Washington D.C.

This testimony is submitted on behalf of the International Human Rights Law Group which is a non-profit legal organization established by the Procedural Aspects of International Law Institute in September 1978, with the assistance of funding from the Ford Foundation and the Rockefeller Brothers Fund. Assisted in its work by lawyers, paralegals and law students, the Law Group provides legal assistance to individuals and non-governmental organizations on a pro bono basis and offers educational programs.

For over four years, the Law Group has monitored the Romanian Government's human rights record. Its emigration policies are extremely restrictive. Severe and repressive controls are exercised by the Communist Party over civil and political rights and economic decision making with police harassment a common feature of everyday life. Oppressive measures are directed against its Hungarian minority which is increasingly subjected to a systematic policy of forcible assimilation. This testimony touches all three aspects of Romania's record and weighs them against the requirements of Section 401 of the Trade Act of 1974 (hereinafter "Jackson-Vanik Amendment").

The underlying purpose of the Jackson-Vanik Amendment is to promote fundamental human rights. In fact, it begins with the phrase: "to assure the continued dedication of the United States to fundamental human rights," and therefore clearly states that it is concerned with the general issue of human rights as well as with the specific and articulated question of freemon of emigration. This interpretation is not only consistent with the language of the Act but also with the universally accepted standards of human rights. Fundamental human rights cannot be narrowly restricted and confined to the right of emigration. The right of emigration certainly is an integral part of an individual's fundamental freedoms, yet it is merely one of a host of other rights. Although individuals may seek the safety valve of emigration when conditions become so unbearable that they can no longer foresee a future for themselves, many do not leave their homeland. Human rights encompass those who wish to leave their countries as well as those who remain behind. Thus, the language of the Jackson-Vanik Amendment itself as well as the internationally accepted norms of fundamental human rights mandate that a full review of a country's human rights practices take place before Most Favored Nation's treatment is extended. In this respect Romania's deplorable human rights record justifies a suspension of MFN.

Turning first to the question of the general human right situation in Romania, even a cursory review reveals a dismal situation. As characterized by the Department of State's 1982 Country Reports on Human Rights Practices at p. 856, "Romania is a centralized unitary state. The government exercises strict control over civil and political rights and economic decision-making." Moreover, Romania "has strict limitations on political expression and religious activities." Both the Department of State's report as well as Amnesty International's 1981 Report on Romania beginning at p. 314 documents that government's gross and persistent human rights violations which include the physical and psychological abuse of political prisoners; intolerable conditions of confinement for prisoners'; police harassment, arbitrary arrest and imprisonment exacerbated by the lack of effective legal remedies for persons subjected to such treatment; denial of a fair public trial; forced entry into homes in cases of political dissidents; the imprisonment of those seeking to form free trade unions; and the harassment and persecution of religious groups and their members. An example of the latter is the fate of Klaus Wagner, a Christian from the Brethern Church, who because of distributing religious literature from the West was arrested, beaten, tortured and sentenced to 6 years in prison in 1980.

With the possible exception of the decrease of the barbaric practice of confining prisoners and dissidents in psychiatric hospitals, conditions have deteriorated since MFN has been extended to Romania.

In addition to the deprivations of these civil, political and religious rights suffered by the general population, the members of Romania's Hungarian minority - the largest national minority in Euorpe - face an additional host of oppressive policies which are aimed at forcibly assimilating and destroying their culture. These policies are intensifying and include the closing of Hungarian language educational institutions at the elementary and high school levels and the elimination of Hungarian universities, such as the Bolyai University in Cluj; the suppression of Hungarian and other minority languages; curtailment of human contacts and cultural exchanges as well as the cultural opportunities within Romania; harassment of churches and religious groups and the confiscation of the archives; falsification of census figures and history; and the conconmittant persecution of individuals who raise their voice against political, social, cultural and religious discrimination, with the most outspoken individuals being condemned to forced labor camps or psychiatric hospitals. The denial by the Romanian government of many of the fundamental human rights, such as a right to liberty and security of person, serves to perpetuate the systematic violation of minority rights and enables the government to implement its policy of discrimination and forcible assimilation of Romania's Hungarian and other minority groups.

Not only has the Law Group found these conditions to exist with respect to the denial of human rights to the general population and national minorities, but they also have been corroborated by a massive body of irrefutable evidence which includes letters and memoranda from Romanian-Hungarian politicians, scholars and intellectuals, scholarly studies appearing in the United States and Europe; communications, statements and studies from groups monitoring human rights violations in Romania; and reports appearing in the mass media.

Both the general suppression of human rights as well as the violations endured by Romania's Hungarian and other minorities solely because of their ethnicity justifies withholding MFN until Romania expresses a genuine intent and actually takes steps to conform its behavior in dealing with its citizens to the minimum yet binding international standards of human rights -- standards freely acceded to by Romania.

The Jackson-Vanik Amendment, however, goes on to proscribe the extension of MFN to any non-market economy country which "(1) denies its citizens the right of opportunity to emigrate; (2) imposes more than a nominal tax on emigration or on the Visas or other documents required for emigration for any purpose or cause whatseover or (3) imposes more than a nominal tax, levy, fine, fee or other charge on any citizen as a consequence of a desire of such citizen or emigrate to the country of his choice."

Romania's emigration practices fall well short of the standards enumerated by the Jackson-Vanik Amendment and by the international instruments acceded to by Romania. This is reflected by the Department of State's Report, supra, in which it states that Romania "attempts to discourage emigration through administrative, social and economic constraints which can often impose a heavy burden upon individuals, including loss of job, demotions, reductions in salary and other forms of discrimination during the lengthy period when an application for emigration is pending." Similarly, the report to the Congress by the Commission on Security and Cooperation in Europe, August 1, 1980 at p. 232 characterizes Romania's policy toward emigration as one of,

> "discouragement bordering on hostility--(which) has remained unchanged during the past three years. The

> Romanian state does not recognize the right to free movement, rather it claims a right to control the movement of citizens. Romania regards emigration and foreign travel as privileges the state bestows and asserts that it is each citizens duty to remain in his or her homeland and contribute to its development. Consequently, the laws and regulations governing the movement of citizen- out of Romania are designed to restrict, rather than facilitate travel across the borders. Leaving or attempting to leave the country without official permission is regarded as a crime against the state."

This policy is exacerbated by the strict and narrow interpretation of the already restrictive emigration laws. Although emigration to the United States has slightly improved, Romania's emigration record remans poor and the conditions to which would-be emigrants are subjected are severe. In the words of the Commission's report, "the would-be emigrant from Romania must face, seemingly insurmountable procedural difficulties and endure psychological and material pressures imposed by the government to deter him or her from attempting to leave the country."

The cases before the Law Group, a sampling of which is provided to the Congress and attached hereto as Exhibit A, demonstrate the severe deterrence of Romanian citizens seeking to emigrate from that country to the United States. They demonstrate the persecution of family members of those, who after scaling the seemingly insurmountable obstacles, are able to emigrate; the harasment and persecution of those seeking to emigrate, i.e., loss of jobs, demotion, police harassment; the repeated denials of exit visas to those seeking to emigrate, the denials of application forms to those seeking to emigrate; and the denials of requests to visit with family members abroad. Although the only justification for leaving

Romania which is recognized by the government is family visits or family reunifications, the cases before the Law Group all involve families divided between the United States and Romania and thus reveal the unwillingness of Romania to even permit its citizens to exercise their very limited right of family reunification. (See Appendix)

Until Romania shows a real willingness to facilitate freedom of emigration and family reunification in accordance with the Helsinki Final Act, the United States should not grant Romania Most Favored Nations Treatment. To do so would be in violation of our laws. The Law Group in reaching this conclusion does not seek to adversely affect U.S. Romanian relations; rather, it urges this Committee to send out a clarion call to Romania that the United States is not indifferent to the fate of countless families denied their right to reunification, in particular with their family members in the United States. Nor is the U.S. government indiffernet to the fate of Romania's oppressed population, including its 2.5 million Hungarian minority, and will insist on respect for fundamental human rights as a condition for preferential treatment by the United States. This is not only morally appropriate but it is required by Section 402 of the Trade Act.

APPENDIX A

Cases of Family Reunification - United States

1. Argeseami Family

Petitioner - Felicia Savin
Residence - 81-11 45th Avenue, Appl 28, Amherst, New York, 11373
telphone number 212-639-6202.

Family members - Son, Livia (physicist)
Daughter, Dorina (mathematician)

Residence - Str. Dionisie Lupa 53, Bucharest

They have waited to join their mother for more than a year.

2. Andreiovici Family

Petitioner - Catalina Petroniu and Mother
Residence - USA

Family Members - Aunt (mother's sister), Elvira Andreiovici
Uncle, Miacea Andreiovici
Two children, Camelia, 20 years; Aurelina, 14 years

Residence - Bucharest, Str. Regenrarii Nr. 9

Eight applications to emigrate by this family have been rejected. They are reportedly being subjected to harassment. They have already had three meetings with people from the Romanian government, but nothing is being accomplished at these meetings and the meetings become unscheduled for six to seven months hence. They expect to have another meeting in September with people from the Romanian government. It is now almost three years since their initial application to emigrate from Romania. Both parents have been dismissed from their previous accountant jobs and their 21 year old daughter has been unable to find employment because of their application to emigrate.

3. Grigoras Family

Petitioner - Stelian Grigoras
Residence - 809 S. Marshfield #904 Chicago, Illinois 60612

Family Members - Mariana Grigoras (wife)
Alexandra Grigoras (daughter) Age 6 1/2

Residence - Bucharest, str. Xenopol, nr. 13, sector 1 Romania.

The petitioner is a political refugee from Romania who presently lives as a lawful permanent resident of the United States. He arrived in the United States in November 1979. He has been attempting to get his wife and daughter out of Romania since 1980. His wife Mariana completed the appropriate documents for emigration on February 23, 1980. However, the family's request has been met with stiff resistance and unusual violence by the officials in Bucharest. After months of unsuccessful efforts and psychological pressure, they received a categorical denial from Romanian officials on October 18th, 1980. They have tried to ask again, but they received the same categorical refusal on March 27, 1981. The pressures excercised by the Romanian government have been increasing. On August 17th, 1981 his wife was told that she would never be allowed to leave the Socialist Republic of Romania. On September 1st, 1982 his wife was dismissed from her job. On June 9, 1981, she was visited by the Secret Police of Romania who acquired biographical information on her and seemed to imply that she would in the near future be able to obtain permission for emigration. She was disappointed, therefore, when she received another refusal on June 24, 1982. Since then, the wife has been in a state of psychic depression. Their young daughter of age 6 1/2 years has not been allowed to attend school, as the authorities have said that she would be a bad influence upon her classmates because of her father's political status. The family is currently in a desperate situation as the wife has heretofore been provided with food and clothing by her mother-in-law, but the mother-in-law is now in bad health. The family has been denied medical assistance. The petitioner applied to the Romanian Embassy in Washington, D.C. for help, but little help has been forthcoming.

4. Nemoianu Family

Petitioner - Virgil Nemoianu
Director Comparative Literature Program
Residence - The Catholic University of America
Washington, D.C. 20064

Family members - Brother, Alexandrv Nemoianu Age 34 years
Brother's Wife, Larissa Nemoianu Age 34 Years
Son, Adrei Nemoianu Age 5 years

Residence - Bucharest, Romania

Brother and family have applied to leave Romania and come to the United States in May 1981. For ten months he was given no reply, and in March 1982 he received a negative reply without any further explanation. He is currently appealing decision.
Brother and wife had previously been working at Museum in Bucharest. They were fired in August 1981 and banned from taking any other employment. They have been totally destitute for over 10 months, harrassed in many ways, threatened to be thrown out of the apartment in which they live, and to be treated as "political parasites" for not taking employment. They have been cut off from social benefits, medical care, etc. and threatened with having their child taken away.

5. Pechiu Family

Petitioner - Alexander Morani

Residence: 6300 D Joaquin Murieta, Newark, California 94560 telephone number 415-498-7682.

Family members - Brother, Paul
Sister, Elena

Residence - Poenanu Bordea G, Bucharest. They applied to join their brother in 1980. Paul was demoted from his position as a senior scientific researcher to that of clerk.

STATEMENT OF ARISTIDE NICOLAIE

to be included in the printed record of the hearings held by the Senate Committee on Finance on August 10,1982 on the Section 402 of the Trade Act of 1974 with Romania.

MR. CHAIRMAN AND HONORABLE MEMBERS OF THE COMMITTEE:

My name is Aristide Nicolaie; I live at 1330 Massachusetts Ave. NW. Washington, DC. 20005. I am U.S. citizen; I left my native country Romania in December 1944, and never visited her since then.

I am active in the Romanian community here in Washington being a member of the parish coucil of the Romanian Church"Holly Cross" and President of the Union and League Romanian Society "Dacia Felix". Before arriving in Washington eight years ago, I was active in the Romanian comunity in New York City where I lived over 20 years.

I testify before this Committee as an individual on behalf of my family, that is my eighty years old mother, my sister and the son of my sister. Their name and address is:

Minca Nicolae, Cornelia Nicolae and Corneliu Nicolae
Sos. Panduri No.5,et.1, apt.7, Sect.5,
Bucuresti, Romania, 76229

After many years of patience and hope of changes, my mother together with my sister and her son decided to give up and leave Romania and come to join me here in the United States.

On December 1979 they applied to the Romanian authorities for approval to emigrate. They were refused; they applied again and again - 34 (thirty four) times until now - again and again they were refused. I sent them the necessary affidavits of support and I applied to the U.S. Immigration Service for their immigration which was granted on June 18, 1982.

It is my feeling that at least under the provisions of the Trade Act of 1974, Sec. 402 my people should have been allowed to leave Romania long time ago.

It took me some courage to come to testify before this Committee. I love my native country Romania and I hope to see her again sometime in near future. There is among our romanian people here in United States a general fear to testify publicly or to express one's true feelings about the situation in Romania.

The fear to testify - I know of many people who do not want to testify because of fear of repraisals by the Romanian officials; there are romanians, american citizens who are refused by romanian officials a visa to visit their relatives in Romania.

The contention of the Romanian officials that the provisions of the Sec. 402 would be an intrusion into the internal affairs of Romania cannot be true. The Trade Act of 1974 is a mutually agreed document binding both parties to its implementation. In my opinion, the American authorities do not intrude in the Romania's internal affairs; actually I believe that the American authorities do not do enough in helping and protecting the implementation of the Sec. 402 on behalf of the american citizens and immigrants.

The results so far of the Most Favored Nation status under the Trade Act of 1974 ca be summarized in a few lines:

1- The Romanian government exports for hard currency to the United States and other western countries goods of which the Romanian people are more and more deprived.

2- The Romanian government succeeded to accumulate a debt tothe United States and other western countries of about $12 billion , and is tottering now on the verge of bancruptcy - bancruptcy which is further stalled by additional western loans-namely, 500 million dollars approved recently by the International Monetary Fund.

3- The Romanian people of Romania and the American citizens of the United States cannot fully trust that their own governments are truly willing and able to implement the terms of the Trade Act. The fear, dismay, uncertainty and mistrust experienced by these people cannot be of advantage to either government or country.

4- The economic situation and the status of human rights in Romania actually worsened since the initiation of the MFN status.

5- The American citizens cannot help their relatives in Romania except at unreasonable high costs and confiscatory customs payments for goods either sent by parcel post or brought by tourist-relatives into Romania.

6- The lobbies of private enterprises that do business with Romania confound their own interests with the interests of the Romanian and American people - a sort of "what is good for them (private enterprises) is good for America" -. These lobbies use to present the economic, political and human rights situation in Romania in glowing terms, which ,as can be proved by many facts, is not the case.

There are many more negative aspects of the MNF status; all of them, it seems to me, outweight the advantages accrued to both United States and Romania.

We have mixed feelings about the MFN status and the U.S. President's waiver of the requirements under the Sec. 402. We want that the MFN status be truly succesfull,truly advantageous to both American and Romanian People; as it worked so far, we do not see enough reasons to be continued.

Included in this statement are the following names of persons who are trying to bring their relatives out of Romania; they are residents of Canada, but the section 402 of the Trade Act of 1974 applies equally to their relatives who are denied by the romanian officials the right to emigrate:

Mr. Dragos GEORGESCU, 5575 rue Beaucourt #7,
Montreal, Canada, H3W-2T7
Wife, Margareta GEORGESCU
Str. Brezoianu 29A, et.7, #49
Bucharest, Romania
Son, Dragos Cristian GEORGESCU (age 13)
address same as mother's

Mrs. Mihaela Cecilia PETRESCU, 5575 rue Beaucourt #7,
Montreal, Canada, H3W-2T7
Husband, Dan Adrian PETRESCU
Str. Brezoianu 29A, et.7, #49
Bucharest, Romania

Mrs. Alina FONTA, 4200 Dupuis, #4
Montreal, Canada, H3T-1E8
Brother, Catalin DAN, Str. Radu Cristian 4, #7
Bucharest, Romania

We urge the Honorable Senators of the Committee on Finance to do their utmost in helping the implementation of the human rights and right to emigrate provisions of the numerous international Acts of which Romania is a signatory, but which the romanian officials choose either to ignore or to blatantly violate. These international Acts are: the Charter of the United Nations, the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the Final Act of the Conference on Security and Co-operation in Europe (CSCE, the Helsinki Agreement) and the Trade Act of 1974.

Furthermore, we urge the Honorable Senators to help create a special permanent governmental entity who shold monitor the implementation of the above international Acts, and who should report regularly its findings to the american government and people.

Thank you very much for your consideration,

Aristide Nicolaie
1330 Massachusetts Ave. NW.
Washington, DC. 20005
Tel. 202.393.1923

Good day. My name is Ilya LeKuch and I am Senior Vice President of WJS/Moody International Corp.

WJS/Moody International Corp. is an officially accredited American export and import representative company maintaining a full time operational office in Bucharest, Romania with 6 full time employees. We first started to conduct business in Romania in 1965. We have also been active in the People's Republic of China since 1972.

My remarks today are directed towards the extension of the Most Favored Nation Status to Romania. I also support the extension to China.

WJS/Moody International Corp. represents in Romania the interests of over 20 American companies. WJS/Moody actively promotes the sale of their equipment, technology and know-how. We also act as purchasers of Romanian equipment in the oilfield industry.

Since January 1, 1979 I have spent close to 50% of my time in Romania, where our company also maintains a corporate apartment, negotiating business between our firm and various Romanian Foreign Trade organizations in selling to Romania oilfield equipment, machine tools, instrumentation, medical, and other types of equipment. Most of the contracts signed today between a foreign firm and Foreign Trade Organization contain a counter-purchase clause or a barter arrangement. This means that an American company selling equipment to Romania must in turn accept products from Romania as partial payment for their sale.

Should the United States fail to extend the Most Favored Nation Status to Romania it would have a significant negative effect on the overall trade between the United States and the Socialist Republic of Romania because it would result in higher tariffs for Romanian goods.

American companies face very tough competition in Romania from European and Japanese competitors, because of long mutual familiarity, and lower costs of doing business due to market proximities. Over the last several years American companies have made significant progress in penetrating the Romanian market. I am sure that the progress is largely dependent on Romania having the Most Favored Nation Status.

Further, I sincerely believe that Romania trusts American technology, and wishes to expand their economic ties with American companies.

I have met many people in Romania from every walk of life: doctors, engineers, workers. Many of them I can truly call friends. The Romanian people are very friendly to all Americans, and Romanian officials in business and political sectors refer to America as a long term friend. World peace and stability are other important factors which justify the extension of the Most Favored Nation Status for Romania.

Romania plays an important role as a world mediator and conducts foreign policy relatively independent of other Eastern European bloc countries.

By extending the Most Favored Nation Status to Romania, the United States would continue to strengthen its position in Romania, help Romania in their economic development and improve the friendship between our peoples.

WJS/Moody International Corp. is presently discussing various long term projects in Romania and we feel that many of the projects will come to a successful conclusion but their success largely depends on Romania having Most Favored Nation Status and the ability to sell selected Romanian products in the U.S. market.

In conclusion, I would like to state that WJS/Moody International Corp. totally supports the extension of Most Favored Status to Romania.

[illegible] MARINESCU.
87-76 188th. St. Jamaica Estates.
Hollis, N.Y. N.Y. 11423.
tel: (212)479-4290).

STATEMENT
before
SUBCOMMITTEE ON INTERNATIONAL TRADE
THE FINANCE COMMITTEE OF THE UNITED STATES SENATE.
AUGUST 10, 1982.

Mr. CHAIRMAN,

It is with a very special appreciation for the democratic institutions that set this nation apart from a world filled with tyranny that I come before this committee today.

My wife, my son and I emmigrated to the United States from Romania 7 years ago. In Romania's goulag I had been political prisoner for a total of 13½ years.

I testify as a romanian emigrant, who after seven years in America is still persecuted by the romanian communist regime in that they are preventing us from re-uniting our family.

I have a brother-in-law, Gheorghe DRAGOMIRESCU whom my wife practically raised as her child. We, have always been very close. My brother-in-law is by profession a physical education instructor and has a wife and 13 years old daughter.

The DRAGOMIRESCU's problems began last summer. We had sent them several parcels and letters which they never received. I am certain that the romanian K.G.B. confiscated them.

In november 1981, the DRAGOMIRESCU's applied to emigrate to the UNITED STATES. At the end of november they received their first refusal. In Jan/6/1982, my brother-in-law was fired from his job of 20 years, allegedly for incompetence. Also, his wife who works as a draftswoman had her salary reduced without explanation.

In march, twice in four days, my brother-in-law was summoned to an office of the romanian K.G.B. for interogation. He was mainly asked questions about my wife and myself.The romanian K.G.B.wanted to know what we do in the United States,beside working in factories.

What they really wanted to know was what activities we were involved in the area of government intelligence,security,etc.

Of course,the simple truth is that we are private citizens.

Because my brother-in-law could not tell the police what they wanted to hear they promised him he would never leave Romania. So far their application has been refused 3 times.

More recently,during an interview for his visa,the police offered him a passport in exchange for which he would have to become an agent for the romanian K.G.B. in the United States.

He immediately refused.He was told that he would be called back to sign a document which states that he is unwilling to serve communist Romania nor its internationalist cause.

In may,he was called by the same secret police and told that because he had asked for exit visas he would be punished,but they did not mention what kind of punishment.

Because of MY FAMILIARITY WITH THE METHODS OF THE ROMANIAN K.G.B. I AM TERRIBLY CONCERNED FOR MY BROTHER-IN-LAW'S SAFETY,INDEED FOR HIS VERY LIFE.

On june 25,at 5am, the Bucharest police came to his apartment and tried to gain acces.He refused to let them in.The police tried to break in,but when they could not,left,and on the way out told the superintendent of the building that they would be back with tools to break in.My brother-in-law left the apartment with his family and drove around Bucharest.He decided to seek help at the American embassy.After a lengthy delay by the romanian police guard outside,he spoke to consul James Vessey III who essentially told him that the embassy could not interfere with internal police matters.

They left the embassy.My brother-in-law's wife and child returned to their apartment and were told that the police had returned to their home three times.My brother-in-law spent the next few days away from home and then returned,resigned to facing the police should they return.But they never came back,only he received 2 letters instructing him to go an office of K.G.B. which is part of the Interior Ministry.He did not respond to this letters.

My family case is not singular.Hundreds of families remain divided.For every person in Romania who is refused permission to emmigrate there are many more who are much too fearful even to apply because of the abuses, mistreatment and persecution to which emmigration applicants are subjected.

As a soviet client state Romania, in the true nature of totalitarian communism, frowns upon any of its captive citizens attempting to leave its borders. This is certainly not to say that no one manages to emmigrate from Romania. Each year the romanian dictatorship allows a token quantity of people to leave. In this manner the romanian regime hopes to mollify the west while maintaining its anti-emmigration policy.

It is common knowledge, the romanian communist game; during this time of year when these hearings are hold Romania opens her gates a little more widely. And it should anger the American government beyond words that the romanian communist regime have the gall to send to these Committee hearings american citizens who are working for them, who describe Romania as if it were a paradise of freedom, a frend of United States, an independent state. They make communist Romania sound like an ideal place in which to conduct business. However, they make no mention of the fact that it is more fun going to hell than trying to get out of Romania.

These agents who appear before you would have you belive that there is no emmigration problem whatsoever in Romania.

Any objective analysis as to whether the romanian government has abided by its commitments to the United States, to permit emmigration for family re-unification must, without question conclude in the negative.

In my view the principal criterion for determining whether to continue M.F.N. trade status to Romania should be whether the communist leadership of Romania has unquestionably displaied a respect for its commitments to the United States and whether it specifically has abided by the provisions of section #402(Jackson-Vanik ammendament). We must not make this determination on the basis of whether M.F.N. treatment will be economically advantageous to the romanian economy and to a very few american businesses. Using the criterion of whether Romania's despote have showed that they respect the human right to emmigrate in order to be with one's family, one must undoubtedly decide that Romania not continue to enjoy M.F.N. treatment.

The institutionalized terorist organization that rules Romania under the auspices of the soviet empire needs M.F.N. status because under the guise of trade they send agents to the United States to spy on american industry and to buy materials and technology which have the capacity for use in the soviet military.

Trough good relations with the United States,president N.Ceausescu wants to demonstrate to the romanian people that America considers him to be a worthy individual.

The independent foreign policy for which Romania is renowned is deceptive.This apparent independent stand is orchestrated by Moscow as a means of gaining insight into countries with which the Soviet Union had bad relations and as a means of creating the appearance that the Warsaw pact nations do not walk in lock step.

It is essential to make a clear distinction between the people of Romania and the illegitimate group which claims to be Romania's leadership.The communist regime of Romania is kept in power by police control of the state.And,of course standind behind him is the full might of the Soviet Union.

To continue giving Romania M.F.N.status would demonstrate to them and to the rest of the world that we do not take seriously the commitments which other nations make to us.

We continue to help the romanian communist leadership in the totally erroneous belief that someday things will change for better in Romania if we cooperate with its leaders.

It would be a grave error to continue affording Romania M.F.N.treatment.To do so would be to assist the opressors of the romanian people to be more opressive and therefore would be an act against romanian people.

I am proud as an american of our government commitment to bringing about free emmigration in the communist countries like Romania.But,our words must appear as mere rhetoric when,year after year,despite Romania's blatant dedication to disregarding its commitments in the area of emmigration,we continue to close our eyes and to extend M.F.N.trade status.

Every member here knows what the emmigration application procedure is like and knows that the romanian dictatorship is totally opposed to free emmigration and to human dignity in general.

Therefore I would urge every senator to do whatever is necessary to stop M.F.N. trade status forRomania.After we have terminated M.F.N. treatment to Romania I am certain that Romania's strong desire for trade with America will encourage her to change her emmigration policies quickly and Jackson-Vanik ammendment will have fulfilled its purpose which is to bring together people who ask nothing more than to live in pace with their loved ones.

The time is now to stop the U.S.program of feeding, financing,and arming the communist enemy.This would force the Soviet Union and her satellites(Romania one of them)to use more of its resources for the care of their people and leave less for military spending,world wide propaganda and subversion.It would also bring pressure on the communist leaders to make liberating reforms in order to increase the productivity of their agriculture and industry.

The free world is owed now II billion dollars by Romania. The romanian government has asked its 200 creditor banks to reschedule its I98I debts over the next 6 years as it is unable to pay interest and redemption on time.Romanian agriculture is bankrupt,romanian industry can never be of any benefit to the american people,romanian products,because of their poor quality could never successfully compete on the american market.The romanian people face a perpetual shortage of food.In an effort to secure currency,food has been diverted from domestic consumption to export markets.The consequence is that food lines are growing longer and consuming more time.There are now reports of 24-hour lines outside Bucharest for meat,vegetables,and dairy products.

Romania is suffering from many of the ailments that caused the crisis in Poland,the Romanian regime is more stalinist and oppressive than the previous administration in Poland was.Ultimately, the american people will take a financial beating because of this gamble we are taking with an economically sick entity.

Thank you for your attention.

Aurel S. MARINESCU.

NATIONAL FOREIGN TRADE COUNCIL, INC.
100 EAST 42ND STREET, NEW YORK, N.Y. 10017

RICHARD W. ROBERTS
PRESIDENT

July 30, 1982

Chairman John C. Danforth
Subcommittee on International
Trade
Committee on Finance
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The National Foreign Trade Council, whose membership comprises a broad cross section of highly diversified interests engaged in all aspects of international trade and investment, supports the President's recommendation for a further extension of the authority under the Trade Act of 1974 to waive the freedom of emigration requirements, under Section 402 thereof, for the Socialist Republic of Romania, the Hungarian People's Republic and the People's Republic of China.

A satisfactory balance of concessions in trade and services has been maintained between the United States and those countries. An extension of the Most Favored Nations Treatment will help to maintain our market share in those countries. The extension of the trade agreements will provide continuous advantages to U.S. companies. In addition to the economic benefits, non-discriminatory trade helps create an environment of cooperation and reduced tension in which vital national objectives can best be achieved.

It is respectfully requested that this statement on behalf of the National Foreign Trade Council be included in the record of the hearings on the President's recommendation to extend the waiver authority for the above-mentioned countries which are to be held by the Subcommittee on International Trade on August 10.

Sincerely,

Richard W Roberts

RWR/ms

PEPSICO
INTERNATIONAL
[illegible]

Hon. John C. Danforth, Chairman

Most recently, PepsiCo has begun trade and has introduced Pepsi-Cola in the People's Republic of China. It is our expectation that this new market will prove to be successful.

It is important to point out to this Committee that the basis of our operation in these countries is a licensing arrangement. Both PepsiCo and the countries involved view this arrangement as a shared investment in working towards a stable economic future. As a result, our partnership with each country contributes to the economic growth of that country, and builds bridges for greater understanding. Because of this, we have developed a trade relationship with Romania, our oldest partner in Eastern Europe, on the grounds of confidence and respect for one another in the commercial arena.

In recent years, concerns have been raised regarding many Eastern European countries' economic stability and ability to meet their commitments. It has been PepsiCo's experience that both Romania and Hungary have been, and continue to be stable and reliable partners. We recognize, however, that maintaining a Most Favored Nations status is crucial to both the continuing economic stability and the future economic growth of these two countries. To the extent that world economic conditions are depressed, international trade continues to be an important component of that stability and growth. Our trade agreements with Romania and Hungary have operated successfully over the years and have been a significant benefit to all parties involved.

We favor scrutinizing, on a regular basis, consideration of Most Favored Nations status as an important element in insuring that U. S. businesses engaged in trade with Eastern Europe receive fair and equitable treatment in return for certain considerations extended to our trading partners under the MFN status. Upon careful consideration, PepsiCo believes such status should again be extended

PEPSICO
INTERNATIONAL

this year to the Socialist Republic of Romania, the Hungarian People's Republic, and the People's Republic of China.

In closing, I would like to make one additional observation. We, at PepsiCo, strongly believe in promoting sound economic development and establishing mutually agreeable trade relations. We find that these efforts maintain open lines of communication and dialogue with our Eastern European neighbors and are an extremely vital means of sustaining and furthering cultural and political understanding in today's changing world.

Sincerely yours,

Robert I. Pagnucco
s/c

RIP:EAB

ROBERT I. PAGNUCCO
Vice President
Eastern European Region

TRUTH ABOUT ROMANIA COMMITTEE
325 EAST 57TH STREET
SUITE 14D
NEW YORK, N. Y. 10022

August 21, 1982

Mr. Robert E. Lighthizer
Staff Director
Committee on Finance, Subcommittee on Int'l Trade
U.S. Senate
Washington D.C. 20510

Dear Mr. Lighthizer :

I am taking the liberty of submitting and important document for the record of the hearings held last week by the Subcommittee on International Trade on the matter of extending the Most Favored Nation's treatment to the "Socialst Republic Romania ".

It is the English version of an open letter written (in Romanian)and smuggled out by an anonymus member of the Central Committee of the Romanian Communist Party .

The document constitutes a veritable indictment of Ceausescu, his brutal and crude dictatorship , his nepotism, his catastrophic mismanagement of the Romanian economy, his destructive interference with culture and science .

It is our view that we are facing a genuine protest from within the communist "elite" which deserves the Subcommittee's attention .

Sincerely yours,

Brutus Coste

Brutus Coste
Professor Emeritus of Int'l Relations

RFE / RL
MUNICH GERMANY
ROMANIAN SERVICE

PROGRAM TITLE : DOMESTIC BLOCK Nr.96 and 97
AIR DATE : 21 and 22 June 1982
WRITTEN BY :
APPROVED BY : V. GEORGESCU
TRANSLATED BY : S. SCHWERTHOEFFER / MKB

A Letter to the Service from a Member of the RCP Central Committee.

V. Georgescu: As far as I know it has been for the first time that a member of the CC has addressed Free Europe asking us to broadcast an open letter. It is in the first place addressed to the party members, to the activists. Today you are going to hear the first part of this letter. It is signed by "a member of the CC of the Romanian Communist Party" and I do not feel that we have thus far any reason to question its authenticity. In any case, the letter appears to have come from a man who is part of the so-called higher leadership of the party and who remains convinced of the righteousness of communism. He does not criticize communism as such, but rather the abuses of the personality cult and the moral and political decay of the party. Notwithstanding the fact that he doesn't tell us unknown things, and though a few details are wrong, the letter still presents a few little-known elements regarding the mechanism of power in Romania. What one finds especially interesting is the conclusion that we have also mentioned on several occasions, that the most recent shakeup is only the final phase of a power struggle which began in 1965; the purge of all capable men f[illegible], of all those who could have threatened [illegible] political monopoly of the Ceausescu family. Also interesting are the details regarding the ousters of Verdet and Fazekas as well as the report on the relationship of the Secretary-General and Maurer, Trofin, Niculescu-Mizil. The author often contrasts the present regime and the one which was gradually emerging during the last years of Dej.

The author's conclusions appear to be correct. Under the influence of Maurer, Mizil, Birladeanu, and Gaston-Marin, Gheorghiu-Dej had obviously chosen a path of economic development that would have avoided for the country the bankruptcy of the past years.

It should be underlined that the struggle between Ceausescu and his opponents which began as early as 1965, was not a personal conflict but a confrontation betwwen two very different and opposite political and economic courses. To the detriment of the country the backward Stalinist course prevailed.

The portrait of the country's president is not at all flattering: the author depicts him as a vengeful, chaotic, and arbitrary person, surrounded only by subservient people, incapable of accepting criticism, jealous of Dej, and interested in only one thing; the maintenance of power. What appears interesting to me is the fact that Bodnaras should have warned the party of the error of electing such a secretary, just as Lenin had warned his party of Stalin's deficiencies.

I nevertheless would have liked if the veteran activist, who is still convinced of the righteousness of Marxism, had not restricted himself to criticizing the Ceausescu regime, but had also attempted to explain its origins. After all, the personality cult did not emerge out of nothing. The seizure of power did not happen overnight, it took years. Why did the party consent to such a concentration of power? As matter of fact the letter writer's historical analysis is both incomplete and biased. The author somewhat idealizes Gheorghiu-Dej, he calls attention to the fact of the assassination of Patrascanu, but he doesn't say one word about the other tens of thousands of Romanians who perished during the tenure of the first communist dictator. His criticism comes from a rather narrow position. He appears to feel that the current abuses are the exception and not the rule, and that they would not have been committed if genuine Marxist principles had been observed. Perhaps. Nevertheless, the fact remains that a communist party which held power surrendered to a dictator who not only destroyed the country but also the party itself. The letter writer is far from giving a satisfactory explanation how such a process was possible. I nevertheless accept his opinion that neither history nor the people will ever forgive the leader and there is only one path toward salvation for the country: that of changing as rapidly as possible the regime of the personality cult.

Voice: It has been quite difficult for me to take this step. However, I finally realized that there is no other way to address the party which is dear to me in a moment when I feel that the people's despair and wrath begins to turn against it.

For the first time in my life as an activist I am ashamed of being a communist, of being a member of the party CC; although matters are so perfectly well organized that I never have the opportunity to speak my own mind with regard to the economic policy initiated and implemented by Nicolae Ceausescu or concerning other measures taken by the secretary-general.

I have not been a part of the CC before 1965. Therefore I do not know how things were before that time. Since having been elected, to my great surprise I find myself taking part in a finely-honed ritual. We arrive one day prior to the opening of the CC plenary meetings in order to read the documentation and to allow for the designation of the speakers covering the different issues on the agenda. What is expected of the speakers is clear; they have to express their accord and to find arguments supportin the ideas and measures in the documentation, and to indicate how these measures will be implemented in the respective district, ministry, or field of activity. Hardly ever is there any deviation from this. I remember the late Gheorghe Vasilichi who attempted to express the workers' view of the situation. He was immediately and violently rebuked by Ceausescu, and on the next day he was no longer the president of UCECOM /Union of Artisans' Cooperatives/. Nothing has been heard of him since. He has disappeared.

Everything is lacking that I expected from the role of the CC: to focus on problems in a critical and self-critical spirit, to make a thorough analysis of the situation, and to work out the necessary measures. All that is done by one single person, Nicolae Ceausescu, and we have neither the right nor the opportunity to speak our own minds. The CC is the instrument of power of one single person, exactly as is the case with the entire party.

For that reason an old friend who has a diplomatic passport agreed to take this letter and to mail it from abroad. I made up my mind to send it to you, asking you to make it known to the listeners in Romania.

Voice: Although I decided in the beginning to prepare an analysis separated into several topical chapters (economic, social, cultural, and political), in order to lead up to a general assessment of the present situation, I feel that it is necessary that I first focus on the recent changes in the party and government leadership, because their real significance has been either distorted or erroneously interpreted in foreign commentaries. This was attributable to a considerable extent to the fact that the official version laid emphasis on deviations and even economic-administrative crimes in order to confuse the political significance of the event.

In reality the ouster of Verdet and Fazekas from the leadership concluded a development that began in 1968-1969 with which Ceausescu intended to eliminate gradually but systematically all leaders who, either owing to a glorious past or to their membership in the Politbureau or the Presidium, enjoyed popularity and authority in the party. Their standing endowed their position with a certain autonomy including the habit of speaking their own minds in the organs of leadership. The process began with the ouster of Draghici and Gheorghe Apostol, in each case for different reasons, the forced retirement of Alexandru Birladeanu and the materially advantageous offer of retirement made to Ion Gheorghe Maurer in a moment when his opposition to irrational industrialization had become public and disturbing. Emil Bodnaras became severely ill exactly when he had begun to repent the role he had played in the strengthening of Ceausescu's power and in the promotion of Elena Ceausescu to increasingly important positions. He died of a vicious disease, but not before having warned prior to his death of the imminent disasters for the party deriving from the unprecedented monopolization of power in the hands of a man with Ceausescu's temperament and complexes. Then came the brutal elimination of Paul Niculescu-Mizil who had as Minister of Finance opposed Ceausescu's unwise request of foreign credits (and for the same reason the ouster of the president of the Romanian Foreign Trade Bank who used to call attention to the inability to pay the high foreign interest rates.)

Then it was Virgil Trofin's turn. As a former TUC secretary he enjoyed a certain popularity which had to be destroyed. Ceasescu decided to use the catastrophic situation of coal production against Trofin, notwithstanding that the latter had given up the Ministry of Mining several months before. At the CC plenum a special night meeting was called that was never mentioned in the communique. During that meeting Trofin was charged with responsibility for the irregularities in the coal mines in Oltenia and for the false production reports. In his speech he stressed that three months before, when he was switched from the coal ministry, he had a three-hour long meeting with Ceausescu. In it the latter did not mention any of the charges raised against him subsequently, for the simple reason that he had consistently informed the leadership with regard to the situation in the mines in the Motru area, notwithstanding the fact that none of the measures and sanctions he had suggested were accepted. This was because Ceausescu had planned a visit to the region and did not want to spoil the atmosphere there. Trofin repeated several times that he wanted to know the real resons why he was to be punished. This infuriated Ceausescu so much that he finally changed the initial proposal to release Trofin from the Executive Committee into a proposal to dismiss him from the Central Committee. Ilie Verdet was the only remaining leader from the old guard who had survived at the tip of the pyramid because Gogu Radulescu had long ago ceased to represent more than a comfortable arm chair in the different Presidiums and a pair of hands ready to applaud every propagandistic phrase in the leader's rhetoric.

Voice: As early as in January one could observe that on different occasions when Verdet took the floor in different CC meetings Nicolae Ceausescu did not conceal his hostility, and Elena Ceausescu made irritated gestures and even ironically mocked the speaker. A massive price increase was under discussion for which, according to Verdet's instructions, Gaston Marin had prepared an alternative proposal of a 35-percent increase which Ceausescu rejected. The latter's recommendation, as always representing a cunning and cynical combination of the absolute price increase and a change in the structure of the goods, resulted in fact in an increase of prices by 100 percent. That is an actual doubling of prices for basic foodstuffs. For instance with regard to meat prices, by increasing the proportion of bone and fat in a certain category of pork meat that formerly sold for 34 Lei per kilo, the new price rose to 70 Lei per kilo. In order to avoid detection by the population of that impudent swindle of the consumer, Ceausecu decreed that: 1. the new price will not appear in the press communique next to the old price, and 2. the higher qualities meat without bones which prohibit the manipulation of the structure of the commodity will be left out of the list of new prices published in the press. But it was exectly here that the increases from 34 Lei to 70 Lei for higher-grade pork, and from 40 Lei to 80 Lei for higher-grade beef were the most striking. This is how Nicolae Ceausescu's concern for the people's well-being manifests itself in reality. These are the methods imposed upon our state-administered trade by the champion of socialist ethics and equity.

Gaston Marin refused to go along with such a manipulation of prices and asked for his retirement, and Verdet expressed in a meeting of the council of ministers his disagreement with such an exorbitant increase in the food prices. It was the beginning of his end. In the subsequent Executive Committee meetings Ceausescu systematically criticized him for the non-implementation of the tasks of different ministries. This time Verdet decided to speak, stating that the tasks had been assigned outside of the framework of organization, directly to the ministries concerned, This put the prime minister in a situation in which he was informed about the secretary-general's instructions by lower-ranking cabinet members. He thereby revealed in the party's highest-ranking body Ceausescu's well-known working style which produces chaos in the entire economic life and in the administrative apparatus. This working style consists of changes from one day to the other (especially on the occasion of his visits to the districts), ranging from the quantity and objective of investments to the organization of production and labor, not to mention the confusion caused by the new instructions concerning the supply of the enterprises with materials and energy. It can be said that over the past years the state plan has been in a perpetual state of motion, leading to chaos day by day and hour by hour.

Evidently Ceausescu could not tolerate such an affront in the Political Executive Committee. Verdet was ousted. In order to save face and to camouflage the conflict which was, however, known to the party's entire upper echelon, Ceausescu appointed him to the politically powerless position in the State Council where he joined another politically emaciated figure, Stefan Voitec.

Voice: The case [illegible] of Janos Fazekas, though somewhat different, is still in the same line of elimination from the organs of leadership of any honest comrade who remained upright in the seventeen years when one's conscience was violated and the party cadres were forced to their knees. This is characteristic of what I would call Ceausescu's rule over the party and the country. So ended the perpetual harassment of Fazekas which dragged on through numerous meetings of the Political Executive Committee. Janos Fazekas was twice even subjected to discussions for what Ceausescu called "the deviation of Janos Fazekas from the party's principles on the problem of the nationalities." Popescu Dumitru and of course Leonte Rautu (nicknamed chameleon because of his reputation earned in assuming such roles for decades) were charged with the dirty job of besmirching him. The intervention of Verdet and Niculescu-Mizil stopped Ceausescu's attempt to destroy Fazekas. What counted perhaps more than the lack of unanimity was the prestige of Fazekas among the Hungarian population. This delayed the decision to eliminate him thus far. The promotion of the docile Ludovic Fazekas in place of Janos cannot deceive anyone.

Ceausescu has probably come to the conclusion that the situation in the country prohibits the retention in the leadership of the country of any comrades with a certain degree of independence, however limited. Although persons like Verdet and Niculescu-Mizil are still in the Executive Committee, they have been struck in such a way that they are reduced to silence and immobility. Dominant in the Political Executive Committee is now the Ceausescus' personal guard, consisting of rather mediocre people such as Dascalescu and Bobu, or of downright stupid people like Banc who do everything for their boss who has raised them to undeserved heights. It is interesting that people in this category enjoy a special status and suffer no consequences even when the domain for which they are responsible registers the most disastrous results. We in the Central Committee know that the grain output in 1981 was in reality about 16 million tons and that the figure announced by Ceausescu of "nearly 20 million tons" is wrong. This is for the purpose of concealing the failure of the first year of the "agrarian revolution." I will return to the topic of this unethical performance by Ceausescu, but I here only want to underscore that though the entire leadership of the Ministry of Agriculture was punished by ouster. Emil Bobu who was responsible for agriculture in the party leadership did not suffer the slightest consequences, and has recently even replaced Dascalescu as the party's organizational secretary. It is evident Ceausescu spares those in his entourage as long as they crawl in front of him on their hands and knees:

What I want to underscore is that Ceausescu is far from being the idealist with high moral principles that he would like to be before the party but a cynical manipulator of power who is preoccupied, I would even say obsessed, with the consolidation of his personal position and with the elimination of anybody and anything which might threaten or imperil it at a certain moment. None of the district secretaries is a native of the area where he is assigned in order to make sure they do not establish roots.

The lack of scruples in the pursuit of this objective began to emerge after the death of Gheorghiu-Dej whose popularity in the party disturbed Ceausescu's sleep. There can be no doubt that the assassination of Lucretiu Patrascanu and the whole trial of the respective group constitute a dirty and unforgivable political crime of which Gheorghiu-Dej is entirely guilty. However, this does not purge from history Gheorghiu-Dej's role in building the party and in establishing the popular democracy regime, in the elaboration of a relatively balanced model of industrialization and modernization for Romania, as well as in the courageous shift in the orientation of Romania's foreign policy, the tact and wisdom with which he led Romania during his lifetime and first and foremost the extraordinary performance in persuading Nikita Khrushchev to withdraw the Soviet troops from Romania. Without the withdrawal no economic, political, or cultural independence would have been possible.

Ceaucescu has categorically forbidden that all this be mentioned. All documents, political texts, books, and pictures that constitute proof have been systematically eliminated from archives, libraries, museums, documentary films, etc. Historical documentary films have been shown concerning the 23rd of August, the 6th of March, the establishment of the republic, and concerning other events in which Gheorghiu-Dej does not even appear on posters. Emil.Bodnaras told me that he prepared in cooperation with the TV network a documentary about the insurrection of the 23rd of August which Ceausescu demanded to be shown personall after which he forbade the showing of the film and ordered its destruction. The explanation: Dej appeared twice in this film.

On the other hand, owing to all kinds of technical tricks and historical distortions Ceausescu dominates all those events as if he had been at that time at the helm of the part reminding one of Khrushchev's similar attempt to present himself as the author of the victory at Stalingrad. However, the Soviets have never resorted to such preposterous and awkward tricks as those to which Ceausescu resorts to build for himself the image of a great historic leader.

No wonder that the three versions of the history of the party which have been elaborated thus far by the Popescu-Puturi Institute have been one after the other rejected by Ceausescu. Thus far the historians have not yet succeeded in achieving the same results as the people from the TV.

As a matter of fact even the 9th Congress which inaugurated Ceausescu's rule in the party has in the meantime become subversive, because in his address the new Secretary-General condemned Gheorgiu-Dej's practice of accumulating the supreme positions in the party and the state. Ceausescu then declared that such practice contravenes democrarcy.

In the meantime Ceausescu went much further than Gheorghiu-Dej, concentrating on an unprecedented scale power in his hands, and violating the principle of collective leadership in such a flagrant way that it is not even mentioned any longer in discussions of the leadership of party and state. Moreover, the right of the president of the republic to rule by decree has been legalized in a way which does not exist in any other socialist country. The carefully prepared attempt to let himself be elected Secretary-General for life by the 11th Congrees failed only owing to the opposition on the part of a few veterans in the CC and of the representatives of the Western fraternal parties who indicated how much damage would result for the international communist movement. But the intention has existed and it undoubtedly continues to exist in a man whose vanity and lust for power are without limits.

Even Ceausescu is aware of the fact that the consentration of party and state activities which resulted from the accumulation of positions held by him contravenes Leninist principles. This is proven by the fact that the party's program does not mention at all the existence of such concentrations in our country from the very top down to the village mayor who also holds the position of a local party secretary. That way the separation of party and state activities has been eliminated, a theoretical anomaly with unpredictable consequences on the political-ideological level which Ceausescu prefers to circumvent in the program. This is how blind lust for power leads to the violation of the most important communist principles.

Ceausescu had also reproached Gheorghiu-Dej in the denigrating campaign he initiated against the latter as soon as he assumed power for having promoted his daughter, Lica Gheorghiu, to movie stardom. But did not Ceausecu outpace by far his predecessor's performance when he upgraded his wife in a very short period of time to a great scholar of international reputation?

In 1965, when Ceausescu bacame party leader, Elena Ceausescu who is two years older than her husband, became fifty years old. As a matter of fact the Small Encyclopedia had to be withdrawn and reprinted because in its first edition it had published Elena Ceausescu's year of birth. Who could believe that a party veteran who was also the wife of a party secretary was unable to demonstrate her ability and talent as a scholar in socialist Romania at that age, had she really been a gifted chemist? Why did her merits emerge so late, and why exactly beginning with the year when her husband became party leader? There is one single answer to these questions: We witness one of the most flagrant fraud cases in the history of Romanian culture, and perhaps in universal history. The scholar Elena Ceausescu is nothing but a secondary product of Nicolae Ceausescu's power.

Poor Nenitescu, the great Romanian chemist, became the victim of this great scientific ascent when he refused to comply with the request of granting Elena Ceausescu the title of a doctor of chemistry. He was director of the institute, and one morning when he came to work the guard at the gate informed him that he had been dismissed. A short time later Nenitescu died of a broken heart. However, there were other chemists like Cristofor Simionescu who consented to giving a doctorate in chemistry to a woman who, as is said in the country, had neither a professor nor fellow students. Recently, on the occasion of a visit to Greece, a newspaper in Athens commented on Elena Ceausescu's meeting with a group of Greek scholars asking ironically how there can be a scholar who does not know any of the major international languages? How does she keep up with specialized publications the newspaper asked with justification.

Nicolae and Elena Ceausescu, both having a fourth-grade education, obviously never exposed themselves to this problem. They have also never become aware of the fact that their publication of such a vast number of books (he every month, she every year) betrays, without additional proof being required, that these books were not written by the authors indicated on the title page. Their ignorance avoids such concerns, and the fact that all exhibitions of Romanian books abroad are monopolized by the works of the two geniuses (that are purchased only by the Romanian embassies) appears to be the most natural thing in the world to them. What do they know of the hardship involved in the writing and rewriting, in proofreading, in clarifying an idea, in evolving sentences, in verifying quotations and the bibliography? There are people who are paid for this kind of work which is below the dignity of a president and of an academician Dr. of Engineering, etc. etc. etc. Our people who react to all such habits of the ruling family with its proverbial humor, has commented on this masquerade in a popular anecdote: When the first Romanian cosmonaut returned to Bucharest he was received by President Ceausescu who congratulated and decorated him. Then he said: "Comrade, why did you perform all types of summer-saults in the spaceship, turning upside down. It was below the dignity of an officer and party member to perform such acrobatics when people see him on TV." The spaceman replied timidly: "Well, comrade President, the explanation is that the law of gravity does not apply in space." Ceausescu, who did not know what this all meant, recalled this dialogue in the evening before going to sleep: "Listen Elena, did I issue a law of gravity?" Answer: "Leave me alone, Nicu. Am I a jurist who would know about your laws? I am a scholar."

(End of part I)

In 1965 Ceausescu inherited an economy with sound growth rates that were reflected in the gradual but steady improvement in the people's standard of living. Although the new industrial enterprises had been equipped with the most up-to-date technology purchased in the US and in Western Europe as early as in the late fifties, the country had no foreign debts and the balance of trade was in equilibrium. Socialist agriculture, after having stagnated, began to move ahead. To sum it up: the working class began to feel the benefits of a sound economic policy.

I recall that at the time the Bulgarian, Hungarian, and Polish comrades who visited our country envied us for the success of the Romanian economy and sent activists to Romania for the purpose of studying the experience of our economic units.

With regard to the supply of the population, notwithstanding the fact that there flowed neither milk nor honey, basic foodstuffs were available in sufficient quantities and in increasingly good quality. Following Gheorghiu-Dej's wise policies there were always reserves of approximately 2 mill. tons of cereals in case of a natural desaster.

One of the merits of Gheorghe Gheorghiu-Dej's, the actual value of which we understand only today, is the electrification plan and the principle announced and applied in this connection: electrification must be one step ahead of industrialization. Ceausescu has reversed this principle. Ceausescu has benefitted from this progressive development of the economy for a few years,but he began to refute all of the previous realities, and in 1968 he shifted his economic policy. The disastrous effects of this turn all of us have experienced in the past few years. The entire model of economic development was modified. The emphasis was on the development of industrial branches lacking raw materials and an international market while agriculture was neglected in an irresponsible way. The share of the accumulation fund increased from 25 to 27 percent to the record level of 34 to 35 percent and even higher, imposing a forced and accelerated rhythm of industrialization with negative results for the quality of production. The social-cultural funds were systematically cut and in the past year investments in the latter domain have been close to zero. Beginning in 1968 all material incentives for workers, technicians, and engineers were systematically reduced, and tri-annual as well as annual bonus payments were abolished, and the earnings of cultural, arts and science employees were drastically lowered. In fact an abrupt decline in the standard of living took place, because all of the mentioned reductions were accompanied by a hefty increase of rents and public service and utility rates. In every case Ceausescu presented in the press comparative tables referring to other countries, doctored up in every possible way in order to justify these readjustments and structural reforms of prices. However, the essential fact was that in comparison with preceding years the incomes of the working people were decreasing. They were decreasing because the rate of accumulation was increasing at a breathtaking pace. And the national income cannot be stretched; when the part earmarked for accumulation increases, the proportion devoted to consumption consequently decreases. No juggling of figures can conceal this fundamental fact.

In addition Ceausescu has systematically reduced the social benefits. Medical services deteriorated; taxes were introduced in hospitals and for medicines. In the sphere of education all types of financial charges were levied against parents for services that used to be completely gratis. The number of coupons for treatment in spas was drastically lowered, and the charges for nurseries and kindergartens have recently been increased threefold.

The prices of food have been continously raised. The campaigns of mystification and deceit accompanying this development of prices have been so forceful that today it appears almost unbelievable to bring back into one's memory that in the early sixties one kilo of good meat without bones and fat cost about 10 Lei, a kilo of bread 1 Leu, and 1 liter of gasoline 1.5 Lei. The truth is that the prices of foodstuffs have increased three to four times in the course of Ceausescu's seventeen years, and no arithmatic deception and no statistic juggling can convince the Romanian worker that his wages have been increasing on the same scale.

The only category that has really increased is that of the basic remuneration. This is the sase because the people who benefit from it have such small needs that the net of escalating prices affects them only to a small extent.

But the root of the evil must be sought in the economic policies initiated by Ceausescu, in the economic model of development he developed and stubbornly applied since 1968.

Instead of continuing the rather balanced development of the economy Ceausescu exaggeratedly boosted the petrochemical industry and a few branches of the heavy industry, considerably above Romania's possibilities and needs. He thereby profiled our country as a great exporter of heavy engineering machines and of entire factories; that is as an exporter in spheres in which we cannot compete with the industrialized countries that are highly superior on the technological level. Moreover, we are confronted by an international market situation tightened by the crisis and reflected in the Third World by a negative balance of payments, an enormous increase of the foreign debt, and the inability to pay the mounting interest rates. In order to build and supply such industrial branches Romania has to import about 20 mill. tons of crude oil every year, millions of tons of iron ore, coke, and other raw materials requiring billions of dollars annually, not to mention that the greatest part of the equipment for the new plants has been imported from the West on credit. Interest payments require additional billions of dollars every year. In his megalomaniac zeal for industrialization Ceausescu did one thing which dumbfounded the Western economic press: he purchased facilities for processing metallurgical coke -- where do you think? -- in the the United States which also required a substantial credit. This is how Romania foundered into a foreign debt surpassing 10 billion dollars. This debt grows with every month and every year like an avalanche. Because in 1981 we have not been able to pay either interest nor capital our debt has now reached more than fifteen billion dollars and it is constantly increasing.

In order to promote the sale of the products of our engineering industry Romania has granted (again to the great surprise of the international press) credits amounting to hundreds of millions of dollars to such countries as Algeria, Syria, Egypt, Libya, and even Brazil.

On the other hand our agriculture was allowed to decline. Labor was attracted by the aforementioned phantom industries. This is why today we are importing poultry from France and Greece, and pork from China, while Ceausescu's industries are operating at 30 to 40 percent below capacity (as in the capitalist countries affected by the crisis), or they have to be completely closed, either for lack of raw materials or for lack of foreign orders. Romania, the country with the best soil in Eastern Europe and with the largest surface of arable land in proportion to the national territory, now finds itself in the miserable situation of not being able to feed its population. In 1980 more than 20 percent of the corn production was left to rot on the fields because in the last 17 years we have not been capable of producing sufficient quantities of harvesters. And where there are enough harvesters there is no gasoline, and where there is gasoline there are no storage facilities for corn.

It is enough to read Scinteia and Romania Libera to find out that tons of vegetable are wasted every day, either because they are not harvested or because there are no transport facilities. In my district, whenever I visit the villages, I return sick from so much administrative chaos, negligence on the part of the bureaucracy, and lack of interest by the peasants.

In the foreign press it is often suggested that Nicolae Ceausescu is the most Stalinist of the East European leaders because of the concentration of power at the top and of the authoritarian regime in the country. In reality Ceausescu is Stalinist in the first place because of his economic policies and the method he applies in leading the economy. The forced process of industrialization, the obsessive emphasis on heavy industry and on the engineering industry, and with regard to agriculture the scarcity of investments accompanied by a relentless accumulation to the detriment of the peasants' sector and attended by the destruction of small industry and private artisans -- all this has been copied from Stalin. And even though there may have been a reason for the emphasis on the heavy industry in the years of capitalist encirclement in Russia, such motivation obviously does not exist in Romania. As a matter of fact the experience of our neighbors, Bulgaria and Hungary, proves that a more balanced economic model in which investment in agriculture occupies a more prominent place does not only provide a rewarding agricultural output but in the end also a higher increase of per capita national income. It is known that, while in 1965 Romania was close Hungary and considerably ahead of Bulgaria with regard to per capita national income, we are presently far behind Hungary and have been considerably overtaken by Bulgaria. The internationalist Ceausescu, however, has forbidden that this be reported in Romania.

However, in his organizational-administrative methods regarding agriculture Ceausescu has turned out to be even more Stalinist than Stalin. Instead of encouraging the peasant with economic incentives as is done by the party in Bulgaria and Hungary, in our country the cooperatives and state farms have been merged into administrative units and led as if both were state-owned, through bureaucratic methods which were not even used in the Soviet Union. Ceausescu acts as if he were a great economist, but in reality is not aware of the fact that he is dealing in this case with two different forms of ownership, each requiring individual methods of leadership. The law concerning the producing cooperatives passed this spring by the Grand National Assembly decrees every aspect of their organization and activity in such a detailed way that it would even suffocate a state-owned unit. The cooperative peasant is instructed even with regard to the quantities of fodder and manure as if he were a part of a military unit, and Scinteia tells him every day what to do as if the peasants and the agronomists in the cooperatives did not know themselves when and how to sow, irrigate, harvest, bring into storage, at what time to begin working in the fields, and at what time go to bed. No wonder that the results in agriculture are disastrous.

After the agricultural failure of 1980 when a major part of the harvest spoiled in the fields although the harvesting of the corn had been in progress for over three months, instead of making a serious analysis of the causes for the failure, as should be expected of a communist party leader, Ceausescu shifted the blame onto "the lack of firmness in the implementation of the instructions of the leadership" (that is by himself) and pompously proclaimed an "agrarian revolution". This slogan is not only completely void of meaning but it also betrays poor Marxist knowledge. It has produced confusion in the party schools.

And in 1981 when the failure to eliminate the causes of the shortcomings led to an even more disastrous year for agriculture he invented the story of the peasant woman who informed him in the field that the corn output per hectare is bigger than the one that was reported to him and instead of announcing the figure of 16 million tons of cereals he had received from the ministry of agriculture he shamelessly pretended that "nearly 20 million tons of cereals" had been harvested. The catastrophic decrease in the cattle population attributable to a lack of fodder was camouflaged by him with the aid of Oltenian jibberish, and the decline in the figure for poultry was solved by ordering that the figure be left out of the communique on the state plan. This is how the triumphant report on the results of the first year of the "agrarian revolution" was born. The result was the introduction of bread rationing in Romania this year.

The juggling of the statistical data practiced by Ceausescu with an increasing lack of scruples forced the people in the General Directorate of Statistics to establish a special office charged with the prevention of leakages of data contradicting the figures cited in the speeches of the secretary-general.

With regard to the manipulation of the statistical data it is characteristic that in 1980 and 1981 when the principal goals of the state plan were not fulfilled the communique of the General Directorate of Statistics, instead of putting in two columns the plan figures and the achieved results (as used to have been the case in the past), failed to mention any longer the planned data. They were replaced by figures referring to the previous year. Of course this led to an increase of two to three percent. This year in January and February we were considerably below the level of the respective months in 1981 because of the shutoffs of electricity and the lack of raw materials. Since 1949 when economic planning began we were in such a situation for the first time. Things began to improve only in March. It will be a miracle if we have not remained below the level of last year's production by the end of the current year. I asked myself to what deceptions the communique on the state plan will then resort.

Last but not least, a characteristic of economic policy worth mentioning is the rigidity; the incapacity of adapting to new situations, the zealous obstinacy with which a course is continued even when an error has become obvious to everybody. In 1973/1974 when the energy crisis became evident and all economic forecasts indicated a continuous increase in the price of oil, it would have made sense for Romania to reduce its petrochemical production and all the industrial branches with a high rate of energy consumption. In view of the fact that the energy crisis was accompanied by an increase in the prices for all raw materials, particularly for ore, it would have been natural to draw conclusions also in this respect.

Instead Ceausescu continued his thoughtless policies developing the petrochemical industry and industries based on the import of raw materials. For instance a petochemical plant was built in Navodari which alone required 3 million tons of oil annually, and the vast investment for the new metallurgical plant in Calarasi was initiated. The latter plant requires several million tons of iron ore which is imported for hard currency from Algeria, India, and Brazil at a considerably increased price because of the transport. And this at a time when there is a worldwide overproduction of steel, at a moment when the United States and other industrialized countries and even the USSR begin reducing their steel production.

Common sense would have required that we revise our economic plans in 1973/1974. The petrochemical industry should have been reduced or cut back to a level commensurate with our domestic oil production of 13 to 14 million tons. Emphasis should have been shifted to the chemical industry for which we have in the country an almost unlimited base of raw materials, particularly salt. We should have confined ourselves to then existing steel production levels and focused, as do the Hungarians, not on tons of steel but on superior qualitites of steel. At the same time we should have massively directed our remaining investment capacities to agriculture, because agricultural production not only guarantees the food supply of the population but it also offers the possibility to achieve surpluses for experts. It is known that Hungary and Yugoslavia achieved such agricultural surpluses which bring to every one of these countries a profit of about 1 billion dollars. And none of these countries has either oil or salt, like our blessed country which is so rich in resources but so poor because of the shortsighted and silly policy which has devastated its economy over the past fifteen years.

Such a redistribution of investment would have spared the country also the financial bankruptcy to which Ceausescu's course has led us, and which has indebted Romania hopelessly, not only the current population but also the generation of our children. Fortunately the Western banks and governments decided to refuse new credits and to stop those already granted, because in spite of the fact that the congress of the working people last summer passed a resolution categorically prohibiting new foreign debts and the Political Executive Committee reiterated this resolution at the beginning of this year, Nicolae Ceausescu continues to ask the International Monetary Fund for loans. He appears willing to put Romania in debt up to the time of our grandchildren, only to implement his obsession with industrialization.

I have already mentioned that in 1973/1974 the Romanian leadership had a better alternative which, had it only courageously been put into practice, would have given a different image to our economy in the present day and would have spared the Romanian people the tragic situation of having to endure hunger and shortcomings. But this would have required that Nicolae Ceausescu acknowledged that he was wrong in the orientation of his economic policy. This he refuses to do even at the cost of ruining the country.

Nicolae Ceausescu is the only state leader in the world who in these hard and complex times has committed no error over a period of 17 years.

Stalin and Mao Tse-tung, everyone of them in certain difficult moments, admitted that they made mistakes. Only Ceausescu never made any mistakes. He considers himself truly infallible. He sacked two prime ministers because they committed errors, he punished about two-hundred ministers and first secretaries who had been his friends on charges of various errors and deviations. Everybody knows that all instructions, dispositions, decrees, and laws of the country originate with Ceausescu. However, the thought never struck him that he could have anything to do with these errors.

It is not for the first time in history that a poltical leader displays such preposterous arrogance and exposes himself to the ridicule of the world. Nevertheless neither history nor the working class will ever forgive the fact that a party which calls itself communist tolerates such a figure as its leader. The members of the Political Executive Committee and of the Central Committee applaud and support him in an activity that ruins the country. There are sufficient examples in the history of the socialist countries and of the communist parties which demonstrate that the people does not forgive those who continue to support the policies of such leaders against their better judgement.

Perhaps in the first years after 1964 Nicolae Ceausescu's rhetoric which was full of high moral and political principles sufficed to convince a few. But today it is clear that we are confronted with a man for whom personal power ranks above any principle, above the country's interests, and above the interests of the people.

I will illustrate that with one last example. At the meeting of the Political Executive Committee meeting at which Leonte Rautu was dismissed because his daughter had applied for an exit visa it was decided, following Ceausescu's proposal, that none of the children of the CC members should be granted a passport for trips abroad.

The decision was strictly applied even in cases of children of a few comrades who had received permission to go abroad for the purpose of studies or special training.

Well, there is also in this respect an exception. The Ceausescu family consisting of the parents and three children: Valentin, Zoe, and Nicu. In May Valentin was in Greece, Zoe in France, and Nicu, accompanied by an entire escort, was on a visit in the Far East which cost our indebted state more than 150,000 dollars. This is the situation of our principles, of socialist ethics and equity. We should also mention that in the same month of May Florea Ceausescu, an editor on the staff of Scinteia, was returning from Bonn, and that Doctor of Historical Science General Ilie Ceausescu was in New York, planning to stop over in Vienna on his way home, where Marin Ceausescu is the chief of the commercial agency, though he has the same talent for foreign languages as his learned brother and sister-in-law.

One single matter is clear to our people: the sooner this tragic comedy comes to an end, the better for the country.

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